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# THE INDIAN JOURNAL

OF

## PUBLIC ADMINISTRATION

(Official Organ of the Indian Institute of Public Administration)

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# THE INDIAN JOURNAL

OF

## PUBLIC ADMINISTRATION

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### EDUCATION AND TRAINING FOR PUBLIC ADMINISTRATION— SOME CONTEMPORARY TRENDS\*

*Lynton K. Caldwell*

WHENEVER men work together to achieve some common purpose, administration becomes necessary, for no other means has been discovered for co-ordinating co-operative human endeavour. Administration is thus the means by which human effort is organized and directed toward specified goals. And because administration implements decisions requiring the direction and control of group action, it implies government in the broad sense.

As generic social processes, government and administration occur in many different contexts (domestic, religious, economic, fraternal). Our concern here, however, is with the administrative process within the institutional framework of tradition, law, and policy that constitutes the governmental state. Our scope is thus less than all of government and less than all of administration, and is limited to the education and training of those persons to whom the administration of government is entrusted. Our focus is upon present efforts to increase the effectiveness for public service of those men and women who make up our public bureaucracies.

Government is the greatest collective effort in which man has engaged, and it is one of the principal institutional expressions of his civilization; its administration is the severest test of his capacity for social development. To be understood adequately, the administration of government must be viewed in relation to its role in the evolution of human society. Without appreciation of this larger relationship, it is difficult to understand the full significance of administration in the day-to-day affairs that are the life stream of government. This discussion

\*Text of the lecture delivered at the I.I.P.A. on August 30, 1958.

of trends in education and training for public administration that follows should be read within this broad context.

### THREE CONTEMPORARY TRENDS

The most pertinent and obvious fact relating to our topic is the tremendous responsibility that governmental bureaucracies have everywhere assumed for safeguarding and promoting the public welfare. Although political ideologies and governmental traditions and methods differ, the heavy responsibility of public bureaucracies is a universal circumstance. Accentuating this weight of responsibility is the inadequacy of nearly every governmental administrative system to deal effectively with the exigencies confronting it. This is true not only of newly established national governments in Asia and Africa, but in different ways is also true of older established governmental systems in Western Europe and the Americas. The quest for competence in the public service has stimulated efforts toward improving the quality of public officials through pre-service education and in-service training. Traditional preparation for public service careers has almost everywhere been called into question, as social science research has revealed new aspects of the administrative process that have called for new types of education and training.

Among the many innovations and developments in education and training for public administration during recent years there are three that may be identified as of exceptional significance. These trends have profoundly influenced political and administrative thought regarding the values that govern human relations and the capacity of human beings to co-operate voluntarily toward agreed common ends. Social trends are seldom clear-cut and precise. Those that we are about to discuss are not without exception. I shall therefore state them as attitudes which, though widely held and of growing influence, are not universally shared. In brief these trends are toward :

1. An understanding of administration as a universal social process, modified in practice by ethnological and technological factors;
2. An acceptance by government of responsibility for the development and training of men and women for public responsibilities; and
3. A growing sense of responsibility among public officials themselves for improving the quality, effectiveness and accountability of the public service.

I should now like to elaborate briefly upon these trends and to relate them to contemporary developments in education and training for public administration.

#### ADMINISTRATION AS A UNIVERSAL PROCESS

Administration is a unique human invention. It does not appear to have been developed by any other form of living organism, although highly complex social organization has emerged among the insects. The systematized co-operative activities of these so-called lower animal societies appear to be controlled by combinations of genetic and external physio-chemical stimuli in ways that we scarcely understand. The mainsprings of human co-operation may hardly be better understood. But the process of human co-operation has received a vast amount of study and we enjoy the advantage of being able to examine a process in which we are participants and of which we know something at firsthand.

The common denominator of administration is man himself. Human behaviour, although capable of astonishing variation, is not capable of *infinite* variation. Man is limited by his faculties. He can invest an almost endless variety of languages; but language, spoken and written, remains an indispensable means for his communications. Simple forms of co-operative behaviour may in some measure be co-ordinated by non-verbal communication, but administered co-operation involves the transmission of ideas, concepts, questions and commands that require the use of language. From one viewpoint, indeed, administration may be described as a systematized process of communication. The universality of the administrative process arises therefore out of the universality of human mental processes and most notably out of man's common and limited means for communicating complex ideas.

Had the study of administration grown initially out of studies in human psychology and sociology, the generic character of the administrative process would surely have received earlier recognition. But the study of *public* administration, at least, grew out of studies in the law, history and political economy of respective countries. The focus of attention was upon national rather than universal characteristics; for example, upon French administration or British or American. In addition, administration as a general process was seldom studied, even in the narrowly national context, outside of Western European and American societies. Some notable treatises on administrative conduct are to be found in the older literatures of India, China, and of

the Islamic world, but in the main they are of a didactic and hortatory character and do not greatly advance our knowledge of administration as a generic social process.

It seems probable that the generic character of the process of administration, like that of eating or sleeping, always was tacitly assumed. But because the focus of scholars was upon specific applications rather than upon the process itself, this tacit assumption was of little practical consequence. Indeed, the systematic study of administration as a universal process really began less than a century ago. The initial impetus came from late nineteenth century studies in industrial organization and management, such as were undertaken by Henri Fayol in France and Frederick W. Taylor in the United States. In contrast to the study of public administration, thought on industrial management was not tied into particular systems of legal concepts and political institutions. It was international or perhaps more accurately non-national in character.

An important exception to the restricted scope of studies in public administration was the broader comparative approach taken by students of military organization and administration. In contrast to writings on civil administration, the literature of military administration commanded an international audience. Von Clausewitz and De Gaulle, for example, enjoyed an international reputation not matched by writers on civil administration. Military considerations prompt an interest among nations in each other's military establishments and theories; in civil administration there is no comparable spur to curiosity.

Another line of inquiry influencing the study of administration was that pursued by ethnologists and sociologists into social organization and social behaviour. Students of social organization characteristically were less bound by their own cultural milieu than were many political scientists whose first interest was frequently in the politics of their own societies. The sociologist studying a great variety of social institutions encountered analogies and contrasts among them that called for explanation. Comparative studies of social organization and behaviour produced findings that not only threw light on administrative behaviour but opened new lines of inquiry transcending political and cultural boundaries. Among the more promising of these new lines of inquiry (perhaps it should be described as several lines) are the behavioral studies of recent years in which much attention is given to psychological factors in group behaviour. The "group dynamics" line of inquiry is a particular phase of this more general development.

A third factor influencing the understanding of administration as a universal process has been the interchange of administrative ideas and experience growing out of international co-operative efforts following the second world war. After 1945, the establishment of international organizations with administrative functions occurred on a scale larger than theretofore. In these organizations the administrative experience and concepts of many nations had to be reconciled. For organizations like the United Nations, Unesco, the International Bank or the World Health Organization, administrative policies and methods were required that would be workable for an international staff serving in all parts of the world. That this could be done is in itself evidence of the universality of the administrative process.

An aspect of international co-operation that has made an especially significant contribution to our understanding of the administrative process has been multi-national and bi-national technical assistance. Through these programmes, particularly those supported by the United Nations, the United States and the Colombo Plan nations, more factual knowledge about administrative practices has been brought together systematically than at any previous time. Professional associations, such as the International Institute of Administrative Sciences, have assisted in the systematic analysis and publication of much of this data and have contributed to its further dissemination through international conferences, round-tables and seminars.

The effect of this growing recognition of the universality of the administrative process has been felt in education and training for public administration. Until about a decade ago the prevailing tendency in university teaching was to interpret "public administration" in strictly national terms. Although there was widespread interest in the identification of "principles" or "elements" of administration, textbooks written by Americans about public administration were primarily books about public administration in America rather than about public administration generically. The same practice prevailed in other countries until, following the second world war, a new trend became evident. The focus of the textbook writer may still be primarily upon the practice of administration in his own country, but horizons have been broadened. Greater sophistication is now shown in distinguishing particular administrative practices from the generic process.

Research and scholarly publication likewise evidence this trend. Interest in the comparative approach to administration has increased as a growing literature on public administration in various countries

provides substance for comparison and generalization. Comparative studies of public administration have been sponsored or promoted by, for example, the International Political Science Association, the International Institute of Administrative Sciences, and the International Union of Local Authorities. Comparative studies of special aspects of administration, including bibliographies, have been published by the United Nations Organization and by Unesco. At national levels, comparative studies are under way in many different universities and research institutions. In the United States, a committee on comparative administration of the American Society for Public Administration attempts to keep in touch with current activities and to stimulate research in unexplored areas. Particular interest has been shown recently in the development of models for the study of institutional change and for the comparative analysis of administrative behaviour. From these models it is hoped that a more valid factual foundation may be laid for subsequent generalization.

The actual content as well as emphasis in university teaching has thus been influenced by this trend. Moreover the effects are evident in the study of business administration as well as in public administration, although schools of business administration gave practical recognition to the universal character of administration at a relatively early date. Evidence of the trend in teaching may be found not only in the published sources cited above but also in the construction of the curriculum and emphasis on subject matter. Comparative materials are being drawn upon more heavily than heretofore and considerable attention has been given to comparative use of the case method. The American Inter-University Case Programme has now begun to assemble a collection of cases from abroad to complement the cases developed primarily out of American experience.

In the public service itself there is clearly a trend toward a broader comprehension of administration. This is evident in the executive development programmes that have become immensely popular in the United States. A quarter-century ago these programmes, treating administration as a generic social process, would have incurred much greater resistance and skepticism than they do today. At that time training for administration would have tended toward indoctrination in the policies, rules and organization of an official's own agency or business firm. The broader considerations of processes, relationships and environmental factors would have been generally viewed as "impractical" or "irrelevant."

It is perhaps too early to forecast the effect of this broadened approach to education and training in administration upon the actual

conduct of government. Nevertheless it seems almost certain that the pronounced changes of attitude that have occurred and are occurring will have a clearly discernible effect upon the public service in the course of the next quarter-century. In the United States, at least, there appears to be a growing contrast between the quality and effectiveness of public administration in the federal government and in the more progressive states and municipalities in which these trends have been widely felt and the more traditionally oriented states and municipalities in which substantial prejudice against a professionalized public service continues to exist and administrative responsibilities are generally narrowly conceived.

#### GOVERNMENTAL RESPONSIBILITY FOR EDUCATIONAL PREPARATION FOR PUBLIC SERVICE CAR RS

Governmental concern with the educational preparation of its future officers is hardly a new development, although it has been of uneven strength from country to country. Historical examples may be cited of special schools or courses of training established by governments to insure an adequate supply of competent public officials. The palace school established by the Ottoman Turkish Sultan, Muhammed II, illustrates one manner in which this governmental responsibility was recognized and discharged. The well-known Northcote-Trevelyan Report on the British Civil Service represents a different approach of governmental responsibility. The Turks undertook directly to select, train and appoint their public officials who were in actual fact slaves of the Sultan. The British, in contrast, left the actual educational preparation for public life to the individual. The personal qualities sought in the public service were to be secured through voluntary competitive examination, the standards for which would be fixed by the government itself through a Civil Service Commission. But whatever the way in which governmental concern for the quality of the public service was manifested, few governments assumed a direct, systematic and continuing responsibility for the education of prospective public officials.

The tremendous governmental changes following the second world war brought about an equally great change in governmental responsibility for the public service. Across Asia and Africa a host of newly independent nations merged, most of them lacking sufficient trained and experienced officials to carry on the public business relinquished by the retiring colonial regimes. Moreover, these new states were impatient to employ their newly-won freedom in programmes of economic and social development. Widespread social unrest and

political instability gave this movement toward national reconstruction an urgency that was also felt in older established states in Asia, Western Europe and South America.

One of the earliest and most dramatic indications of the new attitude in government toward education for the public service came from France with the establishment in 1945 of Ecole Nationale d'Administration. The war and the German occupation had severely shaken the French public service. Direct governmental responsibility for the preparatory training of future public administrative officials was believed necessary to insure an effective and reliable administrative corps.

In the United Kingdom a Select Committee of the House of Commons suggested in a report to the 1941-42 session that a civil service staff college might be required to provide a type of training for public service responsibilities that traditional British education for the administrative levels of public service did not seem to provide. During 1943-44 the question of a staff college was debated in Commons and studied by a special committee chaired by Ralph Assheton, M.P., Financial Secretary of the Treasury. The report of the Assheton Committee rejected the staff college proposal, urging instead an expanded and improved programme of in-service training. This course of action was followed by the government. But in 1946 a privately sponsored Administrative Staff College was established at Henley-on-Thames and has in some measure provided the type of educational experience suggested by the Select Committee. The Administrative Staff College moreover illustrates the generic approach to the administrative process. The junior officials who attend its sessions are drawn from business and labour as well as from government, and a small percentage has come from commonwealth and other countries abroad. The training at Henley is directed toward the type of responsibilities and relationships encountered at higher administrative levels rather than with the specifics of national administrative practice.

The Government of India has taken the most positive measures among commonwealth and indeed among Asian countries in providing educational and training facilities for the public service. Apart from several university public administration programmes, the responsibility of the government is being carried out through the Indian Administrative Service Training School at Delhi and the I.A.S. Staff College\*

\*Both of these and the Central Secretariat Training School have since been combined to form the National Academy of Public Administration.

at Simla, the Administrative Staff College at Hyderabad and through support of the activities of the Indian Institute of Public Administration.

In a large number of countries national institutions have been established for the education and training of public officials, sometimes also for research in public administration. The majority of these have come into existence during the past decade, often with assistance from outside the country; for example, from the United Nations, the United States, Colombo Plan nations or in some cases through private philanthropic foundations. Many of these agencies are called "institutes", but this term may not, as in India, Australia, New Zealand, Canada, and the United Kingdom, connote a professional society. Rather the term corresponds more often to American or French usage implying a type of higher school or research centre that often is associated with a university. Countries in which governments have established or supported "institutes" for the specific purpose of training for the public service include in addition to India : Brazil, Burma, Cambodia, Egypt, Ethiopia, France, Indonesia, Iran, Israel, Italy, Pakistan, Philippines, Thailand, Turkey, South Vietnam, and Yugoslavia. This listing is representative rather than comprehensive. There are other countries that have established comparable schools or agencies for public service training. Perhaps the most unusual, as well as one of the more successful, has been the Central American Advanced School on Public Administration supported by five Central American republics with initial assistance from the United Nations.

In the United States of America the schools or institutes training specifically for careers in public administration are primarily state supported or are privately endowed. The federal government in the past has not directly aided or assisted general training for careers in public administration, although certain federal departments secured specific training legislation. Since 1958, comprehensive legislation that authorizes advanced training for persons already in the government service has been in effect. In the federal government and in the more progressive states, governmental responsibility for the training and development of administrative personnel is accepted without question. Some cities and a few counties, Los Angeles city and county, for example, have effective training programmes. For the most part, however, the states and municipalities look to the universities and professional associations to assume the tasks of preparatory education and job-related training. There is, however, an increasing tendency for governmental units to support these education and training efforts in a variety of ways.

An interesting example of co-operation between several different governmental and educational organizations for public service training is afforded by the Southern Regional Public Administration Training Programme. Since 1944 four southern state universities and governmental agencies have carried on a programme of graduate study and practical training. Students spend an academic semester at each of two of the co-operating schools, and a three months' internship in some practical aspect of administration is undertaken in a governmental office : state, local, federal, or regional. The routine work of the programme is administered by the Bureau of Public Administration of the University of Alabama; academic direction is provided by a joint university-governmental committee representing the participating institutions. This co-operative plan provides for the maximum utilization of training resources, avoiding unnecessary duplication of effort in the co-operating states.

The foregoing examples illustrate the growing concern of government for the education and training of future as well as present public administrators. This trend seems certain to grow; the exigencies of societies upon government everywhere are such that increasing public administrative action to insure the adequacy of public service personnel as to numbers, quality and integrity appears to be inevitable.

#### PROFESSIONAL CONCERN OF PUBLIC OFFICIALS FOR THE QUALITY OF THE PUBLIC SERVICE

Professional associations of public officials have existed for many years. Until recently these organizations tended to be either of two kinds. The first were societies of specialists; for example, accountants, army officers, engineers, foresters, physicians, nurses, teachers, or law enforcement officers. The problems of their professional specialities have been the uniting bonds for groups of this type. The second, not always clearly distinguishable from the first, were unions, organized along various lines and with the welfare and status of their members their primary concern.

During the past quarter-century, however, a third type of organization of public officials has gained prominence. Its focus is neither on a particular occupational speciality nor primarily on public service salaries, privileges and working conditions. Instead its purpose is to strengthen and improve the public service through better understanding (a) of the forces that control public administration and (b) of the processes through which administration actually takes place.

Membership in these organizations, of which the American Society for Public Administration, the Indian Institute of Public Administration and the Royal Institute of Public Administration (United Kingdom) are examples, characteristically includes persons outside the government service who have special interest in public administration. Among such individuals are university professors (who may or may not be civil servants), management consultants, lawyers, legislators and retired officials. These societies tend toward neutrality in questions of political character; their focus is upon improvement of the public service as a means to a more effective government.

One of the principal means to a more effective government is the educational development of the public servant. It is therefore not surprising that public administration societies have almost uniformly encouraged in-service training, have taken great interest in educational preparation for the public service and have, as is notably the case in India, actually sponsored and conducted training programmes. Although few societies have moved as directly into educational and training activities as has the Indian Institute of Public Administration, actual training programmes, usually of short-term duration, have been undertaken by the Royal Institute of Public Administration in the United Kingdom and by the American Society for Public Administration in the United States.

An important contribution to improvement of the public service is research and publication pertaining to public service needs and problems. The Royal Institute of Public Administration, in particular, has published or sponsored various monographs and pamphlets relative to the public service. Journals are published by all principal societies and the following is a partial list of those printed in English.

*Administration*—Institute of Public Administration of Ireland  
*Canadian Public Administration*—Institute of Public Administration of Canada

*Indian Journal of Public Administration*—Indian Institute of Public Administration

*New Zealand Journal of Public Administration*—New Zealand Institute of Public Administration

*Philippine Journal of Public Administration*—Institute of Public Administration, University of the Philippines (not published by a professional society, but serving the needs of such groups as the Philippine Society for Public Administration)

*Public Administration* (Australia)—Australian Regional Groups of the Royal Institute of Public Administration

*Public Administration* (United Kingdom)—Royal Institute of Public Administration

*Public Administration Review*—American Society for Public Administration.

#### CONCLUSION

There are many ways of classifying trends of the sort that we have been discussing. There are moreover other trends that have not been touched upon in this discourse. Among these would be (1) the growing influence of behavioral studies on administrative theory, training and practice, in addition to their impact upon the generalizing approach to administration, (2) the increasing *rapprochement* between universities and governmental agencies in setting standards of achievement for both pre-service and in-service training, (3) the growing disposition to view the education of the public administrator as indefinitely unfinished business in the sense that his education and training must be a continuing, career-long process, (4) the effect of nationalization of industries and the growth of state enterprises upon public administration training, and (5) the growing difficulty in many countries in reconciling the need for national security and economic stability with freedom of public employee groups to engage in organized political action. But the trends upon which we have dwelt at greater length are those that have seemed most significant, at least from the vantage point of the present.

To summarize then, the most important contemporary trends affecting the education and training of public administrators seem to be :

1. General and explicit recognition of the universality of the administrative process;
2. Governmental acceptance of responsibility for the development of the administrative corps of the public service; and
3. Development of a sense of responsibility among public officials for improvement of the quality of the public service.

Should these trends continue and appreciably influence administrative developments in government, it seems likely that during the

next half-century mankind will be governed more proficiently and with a greater sense of responsibility than has ever been evident before. Under inhumane or unwise political leadership this heightened effectiveness, were it merely technical, might indeed be harmful. There is, however, hope that the quality of political government may generally improve, in part, as a consequence of public services that are better able to provide the competent and informed staff assistance and execution upon which political leadership in this age must so largely depend.

The increasing dependence of governmental decisions upon technical and administrative expertise does, however, raise the very serious question of the extent to which the career public service is guardian and servant of public values. It is a commonplace of government that public officials do support certain values as against others. Conflict among administrative agencies frequently arises from incompatibilities among their value commitments. In open and culturally heterogeneous societies it becomes very difficult to identify many values that are generally held throughout the total community. The search for consensus in democratic governments is usually considered to be the special task of the politician. But political party doctrine and commitment often severely limit the capacity of political leaders to obtain general agreement. Moreover, diversity itself may be an important value in the political community. As the scope of governmental activities grows, affecting ever more intimately the lives of people everywhere, the moral responsibility of the public administrator becomes an ever more pressing subject of query and concern. If we were to forecast major trends in education and training for public administration in the future, it seems inevitable that one of them would have to do with this very fundamental aspect of public service.



“The capitalist thinks that bureaucracy is a bad word, but the socialist likes it. The socialist thinks that enterprise is a dangerous word, but the capitalist supports it. And both are wrong. It is the best in bureaucracy combined with the best in enterprise that equals institutional vitality and a dynamic economy.”

—MARSHALL E. DIMOCK  
(in “*Administrative Vitality*”)

## A FUNDAMENTAL APPROACH TO THE ADMINISTRATION OF THE RURAL COMMUNITY DEVELOPMENT PROGRAMME\* (II)

*Iqbal Narain*

### IMPLICATIONS IN TERMS OF PLANNING

Having analysed the concept of rural community development, let us turn to a study of its implications in terms of planning. The field of planning is so vast that one can only venture a study of some fundamental considerations (which have a distinctly administrative bias) in the context of the objectives already set forth.

As far as the under-developed countries go, the Government has to sponsor the rural community development programme and determine its broad pattern on a democratic basis.<sup>23</sup> Its need is obvious enough. First, the area of backwardness to be covered in under-developed countries is so vast and the problems of development so multifarious and complex that a national programme at governmental level alone can meet the challenge. Voluntary public agencies can neither be forthcoming in such large numbers as to cope with the situation, nor do they have the resources to rise to the occasion. Systematic planning of their activities with a due sense of priorities and co-ordination is equally difficult. Secondly, under-developed countries, by and large, have been under foreign domination and

\*It is the second instalment of the text of an essay which won a second prize in the IIPA Essay Competition, 1958, jointly with "A Short Study in the Theory and Practice of Public Corporation in a Democracy" (by Dr. Amba Prasad). The first instalment appeared in the last issue (for April-June 1959).—Ed.

23. Cf. The observation of the U.N. Mission Report, "The problem in the Philippines is to capitalize on the public interest now being shown and integrate the various approaches into a national programme. Even if their work is co-ordinated, voluntary agencies are unlikely of themselves to be adequate in resources to the task, such approach under a separate agency as has been made in India and Ceylon would be necessary with adequate alteration to the strengthening of government organization and services, training of personnel and promotion of village organizations. Voluntary agencies might then provide valuable collaboration... We believe that the contribution on any scale of community programme to economic and social progress requires that they may be undertaken by government" (Vide: *Report of the Mission on Community Organisation and Development in South and Southeast Asia*, United Nations, December 1953, pp. 12-13.)

their people, therefore, do not have the self-confidence, initiative, vision, public-spiritedness and up and doing outlook of a free and democratic people to plan for themselves. They can only move ahead with government-motivated self-help to self-motivated self-help. The Government, however, must take into consideration the following points while sponsoring the programme and determining its broad framework :

(i) They must begin with clearly defined objectives. If the objectives of the programme are ill-defined, planning shall be unscientific and its administration confused and defective.

(ii) The objectives as well as the planning of its broad framework should be realistic and practical on the one hand and flexible on the other. The programme must be a people's programme and embody their aspirations and long-felt needs and that too with a *democratic sense of priorities*. The democratic sense of priorities should be a synthesis of what the Government with the advice of experts and in the context of its vision of national reconstruction takes to be a priority and what the people by their experience and on the score of their long-felt needs take to be a priority. For some time till the people are educated enough to develop a correct perspective of priorities and are enthused about the programme of rural development to stand by it in the right earnest, the Government should not mind compromising their sense of priority with the people's sense of priority.<sup>24</sup> The crux of the rural community development programme, as we have already noted in the study of the objectives, is the people's participation in it. If the plan aims at meeting those needs of the people which they take to be prior, it will enthuse them and mobilize them into action almost voluntarily. Not only this, the Government should plan modestly. They should take into consideration the limits of national resources and people's resources so that the plan may not have to undergo a cut and rephasing as it frustrates people and damps their enthusiasm and nothing is more suicidal for a rural community development programme than frustration in the people and damping of their enthusiasm.

24. Cf. Phillips Ruopp, *Approaches to Community Development : A Symposium Introductory to Problems and Methods of Village Welfare in Under-developed Areas*, W. Van Hoeve Ltd., The Hague, Bandung, 1953, p.17 : "If the people of an Illinois Village think of community in terms of the exclusive solidarity of established residents as opposed to newcomers or strangers and of development simply as the acquisition of a cinema or a 'supermart', I cannot tell them that what they are interested in is not community development. I can only suggest indirectly that these words have other connotations which are preferable. (To me personally community development may be associated with certain provisional spiritual absolutes by which I judge any specific example; to my hypothetical Illinois villagers it has other associations; to African villagers it may have associations that differ sharply from both mine and those of my compatriots.)

The Government, if their plans are to be both realistic and practical, should have a keen sense of the time factor. They should not be in a hurry. The programme of the development of the rural community owing to its *multi-purpose* character and the large area of backwardness to be covered in all walks of life has to be slow and long-spread. No government can have the lamp of Alladin and work a miracle overnight. If hurriedly brought about, the development will not be of a quality which will endure. It will only be superficial and will involve waste, both of human energy and material. The administration shall find itself forced with a mad race for targets against time. It will try to meet them superficially and on paper, neither taking the people with it, nor inspiring them for self-help. The objectives of the rural community development programme, on the contrary, demand that the Government should give a proper lead to the people and thus inspire them to take the lead themselves. They should insist upon qualitative aspects of development and lasting results so that one government-stimulated step may mean such tangible and concrete good to the people as to inspire them to take up many self-stimulated steps. The Government should never forget that the ultimate and real objective of the rural community development programme is not government-motivated self-help but self-motivated self-help and for that the programme must yield concrete results in the life of the people. The emphasis on the time factor should not be treated as a plea for halting, tardy, and delayed development. The under-developed countries have already waited too long and they cannot and should not wait that long any more. What is essential is that the Governments should follow the golden mean and be neither too slow nor too quick. Again, realistic planning would mean planning keeping in view the setting of the country in general, and the area which is sought to be developed in particular. The rural community development programme has to be a people's programme and as such it should be in tune with their local setting; it should suit their genius, resources, outlook, traditions, and cultural moorings. The programme should not appear to be imported or having a foreign stamp; it should be their own; of the people and for the people. If an outlook, a tradition or some cultural or religious practice needs a change, it should not be affected coercively as if with a jerk and startling suddenness which will shake the people's faith in the programme. It should be brought about with education and persuasion. The ideal here should be not a resolution from without but a resolution from within—a spontaneous and well-considered change by the people in their own way of life. Such a change would be natural and hence lasting. Above all, the planning should be flexible and should leave enough elbow-room freedom to the administrator on the spot and the people's representatives to fill

in details and thus adjust the plan to local needs, resources and aspirations of the people. In under-developed countries, by and large, the Government can fix up certain common objectives keeping in view its overall development plan for the country to form the plank of rural community development programmes; yet these objectives have to be tuned and trimmed in response to the change in the local emphasis on priorities which is bound to be there in vast countries like India or Africa, where the rural communities in spite of certain underlying common features, still differ and differ widely from each other. In fact the planning of the rural community development programme should follow the pattern of *decentralized planning*, the broad objectives and framework being determined at the top governmental levels more by way of a policy statement than an operative plan, and details and priorities being determined at the local levels by the people through their representatives and the local administrator. The flexibility of planning alone can make it popular and enable the administrator to execute it successfully with the thus-evoked enthusiasm and support of the people; this alone will make the plan realistic and enable it to evolve from within in terms of immediate objectives within the broad framework of the governmental policy and in terms of vitality that comes with people's support and enthusiasm. That flexibility of planning will make it democratic and develop initiative and sense of responsibility both in the people and the local administrators. What is most important, it will make the plan dynamic, which will not treat the people as a static leviathan but as changing and progressing demos and which will change and grow as the people do. It will not be out of place here to mention what the Report of the Study Team on Community Projects and National Extension Service has to say in this regard in the context of the Indian scene :

“During our visits to various blocks we repeatedly heard complaints that the fixation of targets had been arbitrary and unrealistic. In most cases, we found these arbitrary and unrealistic. In most cases, we found these targets had been prescribed by the district level or the block level officers without consulting the local representatives of the people. We can hardly over-emphasize people's role in planning and executing the community development programme. The broad objectives, the general pattern and the measure of financial, technical and supervisory assistance available have got to be worked out by the States; but it is for the people's representatives assisted by the development staff to work out and execute the details of the plan. The

fixation of targets should, therefore, be the joint responsibility of the States on the one hand and the local representative institutions on the other. The responsibility has to be clearly defined...<sup>25</sup>

(iii) As emphasized above, the need is that the plan of rural community development programme should be in tune with the setting of the people and the area which is being developed or it should have an essentially rural bias. The need postulates a careful, close and overall study of the country where a programme of rural community development is to be started. The first logical step for the government of a country pledged to the ideal of rural community development should, therefore, be to establish a *Bureau of Rural Statistics* to collect reliable data for an essentially realistic and practical planning. Planning without statistics would become deductive and may share all the disadvantages of a Platonic utopia. Planning with trustworthy statistics in hand is essentially empirical; it is based on facts, observation and experience and is, therefore, realistic in approach and practical in operation. It has to be emphasized, however, that the *Bureau of Rural Statistics* should not merely study the resources of the area, its social, economic and political set-up and its unmet wants in all walks of life in order of their priorities but also the people themselves, their outlook on life and problems, their sense of general awareness, communal solidarity and social responsibility, their customs and traditions, religious, caste or class affiliations and above all their mental make-up in terms of hostility, indifference or response to the idea of change, initiative, hard work and co-operative endeavour. Perhaps nowhere is the aid of psychology more indispensable to an administrator for his success than in the operation of the rural community development programme because the objective here is not to inflict a change on the people but to make them realize the importance of the change, create in them a liking and love for it and thus make them demand and have it for themselves by their own initiative and effort. One need not repeat that the programme is "designed to promote better living for whole community with the active participation and, if possible, on the initiative of the community; but if this initiative is not forthcoming by the same use of technique for arousing and stimulating it in order to secure its active and enthusiastic response".<sup>26</sup> The objective here set forth needs a psychological handling of the village people by the administrator and, therefore, he should

25. *Report of the Study Team on Community Projects and National Extension Service, Committee on Plan Projects*, p. 24.

26. *Community Development Programme in India, Pakistan and Philippines*, 1955, p.8. (Quoted in the *Report of the Study Team on Community Projects and National Extension Service, op. cit.*, p.1)

be abreast of the psychological background of the people before he could handle them psychologically. Hence the need of the collection of the *psychological data* of the rural community by the *Bureau of Rural Statistics*. Further, the Bureau should have an essentially rural approach in the study of rural psychology. It would be better to recruit an *ad hoc* team of educated young men and women from the area itself to help the research officers of the Bureau to make a realistic study. The presence of the local people in the team of the Bureau investigators will give a local colour to its findings which will not be handicapped by the inhibition of the villagers, cultural barriers and ignorance of the language of the area under study.

(iv) The idea of flexible planning emphasized above has its logical corollary in *flexible budgeting*. The Government should plan the budget of the programme in a way so as to assign lump-sum grants on scheme basis, leaving enough freedom for allotment of money on each item at the local level, enabling the plan thereby to adjust and respond to variations in priorities. "Schematic budgets for community development imply allocations of priorities and, therefore, the consequent variation in the emphasis and in the allocation of resources to different regions and different blocks. One uniform and inflexible budget for the entire country is obviously unsuitable and unrealistic."<sup>27</sup> Of course this right to allotment will not be absolute, it will be subject to supervisory revision at the higher level, particularly in the initial stages till the local bodies learn to stand on their own feet. Here again the process of supervisory revision as well as of intimating the legislative sanction should be simple and expeditious as the time factor means much in the development of the rural communities, particularly in under-developed countries, which have to grapple with the uncontrollable vagaries of weather. Take, for example, India,

27. *Report of the Study Team on Community Projects and National Extension Service*, *op. cit.*, p.24.

Talking specifically in the Indian context, the Report continues "Even within a state it may be necessary to have perhaps more than one such schematic budget. It would, therefore, be useful if the schematic budget is drawn up by each state in consultation with the centre, and the central Ministries would be able to assist each state with the information and knowledge of what is being done in other states. The broad distribution of the budget provision into cost of establishment, contingencies (recurring and non-recurring), grants-in-aid and loans should be prescribed by the Centre and within this pattern the state should work out its schematic budget. At the district level and the block level, the local representative organisations, advisory at present and statutory in future, should work out the details of the local priorities and phasing within the framework thus prescribed. That the overall targets, prescribed after mutual consultations at different levels, should be achieved, that the provision for loans should not be converted into grants-in-aid or other outright expenditure, that the provision for grants-in-aid should not be converted into loans and that re-allocation and re-appropriation should be subject to the approval by the next higher body, would be both the guiding principles, and the main restrictions on the discretion of such local organisations." *Ibid.*, p.24)

where "a serious cause for dislocation of work and consequent wastage is the delay in the issue of financial sanctions. In states which receive the south-west monsoon, these sanctions, especially for new works, reach the persons in charge of its execution well after the commencement of monsoon, thereby holding up field work in the dry summer months ; even in the areas which receive north-east monsoon, these months are similarly wasted."<sup>28</sup>

(v) While planning for the rural community development, the twin ideals should be a *multi-purpose approach* and an *integrated project*. The *multi-purpose approach* has already been explained at length in the study of the objectives. A word about *integrated project* will not be out of place here. The idea involved in an *integrated approach* is that all the schemes of rural development should be knit together to form an integrated process to avoid duplication, overlapping and running of the several schemes at crosspurposes exhausting and baffling the people to breaking point.<sup>29</sup>

(vi) Another problem that worries a planner of the rural community development is whether the programme should be planned as a *continued process* or *phased process* like that of India which has at present a pre-intensive, intensive and post-intensive stage. One is likely to vote in favour of the former. Development is a continuous process and in the long run a continuous and steady tempo of development with balanced and judicious spread-over of resources is likely to yield more enduring and qualitatively better results and exercise a healthier influence on the psychology of the people than fluctuating fits of tempo. In fact the phased programme is not suited to the objectives of the rural community development programme. In a phased programme the time factor to switch over to another phase would become more important than the ideals of a lasting *multi-purpose* development with a *multi-focussed* and *multi-processed approach*. There would develop a '*Time-is-up*' mentality in administration and they would not bother to know whether in this mad race for a

28. *Ibid.*, p.25.

29. A similar observation has been made by the Report of the Study Team on Community Projects and National Extension Service, in the Indian context: "Apart from the special allotment under the community development programme, there may be other schemes sponsored by different departments and financed either wholly from out of state funds or partly out of state funds and partly from local contributions or out of loans provided by the Government or lastly, solely out of funds of local bodies. All these should be integrated together with corresponding allotments at the appropriate level not only because the schemes are interrelated and cannot be considered in isolation but also because they effect and depend upon the participation by some group of people. The plan frame for the general development of the state should thus be broken down to the district and block level and integrated with the plan for community development. It would further be advisable if the Panchayat Samiti or the Block Advisory Committee arranges for the break-up of this integrated plan into smaller units, Gram Sevak's circle, villages and lower down to families." (*Vide : Report, op. cit.*, pp. 24-25)

development programme, which is soon going to be time-barred, people themselves could learn to change and stand on their own feet. The administration may be obsessed with the idea of phases and may fix unreal targets. It may even develop an unhealthy psychology. In the initial stages it may have '*What is the hurry*' attitude, banking on the intensive stage to do the miracle. It may hurry through development with a contemptuous indifference to its quality and impact on the people during the intensive stage. It may again revert to restful inactivity in the post-intensive stage. It may not have a healthy influence even on the psychology of the people. The intensive stage may give them a false hope that they would reach the El Dorado after the intensive stage of work is over. If their hopes turn out to be false, the result would be disillusionment and frustration. This is more likely in under-developed countries where so much *leeway* is to be made up that the intensive stage of work cannot have spectacular results. Thus the very purpose of the *phased programme* which is to rouse the people to initiative and activity by way of shock tactics by some spectacular results through an intensive stage in the process of rural development is likely to be defeated.

Further, in under-developed countries it is difficult to fix or keep up the time schedule owing to *psychological barriers* which express themselves in the form of people's inertia, apathy, and inactivity and *practical barriers*, such as the magnitude of the problem of development and comparative poverty of resources. In these regions in particular and in rural community all the world over what is needed is to rouse people to the ideal of continuous application and not to fitful activity, if the stupendous task of rural community development is to be successfully undertaken. Further, a *phased programme* would mean poor financial resources in the initial and post-intensive stages and abundance of finance during the intensive stage; the former would handicap progress and the latter would encourage extravagance. In a word, *phased planning* would thus reduce the rural community development programme to a melodrama of starts and stops, of inertia relapsing into fitful activity and reverting back to inactivity with a sense of disillusionment and frustration and of temporary spells of satiety of resources, haunted by the ghost of poverty on the one end and the fear of starvation on the other. One can best close the study of this issue with the observations of the Report of the Study Team on Community Projects and National Extension Service, which has vehemently criticized the *phased planning* in India in these words :

"At present, the community development programme falls into three phases commonly described as the N.E.S. stage,

the intensive development stage and the post-intensive stage. We do not consider this division necessary, useful or convenient. The N.E.S. is basically a staffing pattern for extension services. The assumption that after a few years this staffing pattern takes a block to a stage where intensive development is possible and later on to another stage when the intensity of development can be relaxed, does not seem to be justified. As a matter of fact, *we found that the 'post-intensive development' blocks presented a picture of inactivity and frustration.* Community development is a continuing programme which needs active planning and provision of funds. The present system under which heavy amounts are available over a short period, preceded and followed by periods of inadequate resources, *leads to twofold waste and frustration on account of non-availability of resources during the pre-intensive and post-intensive stages and availability of easy money in the intensive stage with a hurry to spend it before the close of the period.*<sup>30</sup>

(vii) Another intriguing problem that faces the planner of a rural community development programme is how to enlist the people's participation in the planning of the programme. Should he do so through *ad hoc* bodies nominated by the Government or through local bodies popularly elected and hence duly representative of the people? The latter alternative is preferable. The ultimate objective of community development, as has been emphasized time and again, is not merely the material advancement of the villagers but their democratization or helping them to stand on their own feet. As observed by Shri Nehru in the Indian context, "I do consider that the scheme of community projects is something of very great importance and it is so not merely because you can sum up and write down on paper the material achievements of such a project...you can make a list of them and it is pleasing to see that list but somehow my mind goes beyond, to the man, woman and child. The house may be good but it is the builder of the house that counts ultimately. Therefore, it is to the builder that my mind goes; we want to make the people of India all builders. These community projects appear to me to be something of vital importance, not only in the material achievements that they would bring about but much more because they seek to build up the community and the individual and make the latter a builder of his own village centre and of India in the larger sense."<sup>31</sup> And this

30. *Ibid.*, p.26. (Italics are given by the writer.)

31. From Shri Nehru's inaugural speech at the First Development Commissioners Conference, Delhi, May 7, 1952 (Vide: *Jawaharlal Nehru on Community Development*)

urge for self-determination will inhere in the people only if participation in planning is sought through their elected local bodies. "While operating through the people's local organizations, the programme simultaneously strengthens the foundations of democracy on which our constitution stands, by making the villager understand the significance of development and his own position in the process of development and it makes him realize his position in this vast democracy."<sup>32</sup> It is for this reason that one reads in a United Nations publication that "a programme of community development is most successful when it becomes an integral part of or is closely related to the existing administrative organization at the local, intermediate and national levels."<sup>33</sup> It has also to be borne in mind that an *ad hoc* body may not enjoy the confidence of the people and consequently the plans prepared in consultation with it may not find favour with the people. What is worse, political, personal or sectarian considerations may dominate the appointing authority and the body thus appointed may not represent the people but represent only itself. If the elected local bodies already exist, a nominated *ad hoc* body would pose as its rival, fostering factions instead of harmony and unity, creating suspicion rather than faith in the plan and inspiring mutual ill-will instead of corporate spirit and co-operative endeavour. It may be argued here that nominated *ad hoc* body may have better personnel—Carlyle's mobile silent men who would serve the people best and yet who go unnoticed as they refuse to contest elections owing to all the dirt and mud of party politics attached with it. They may be better equipped with education and understanding of the problems of planning and hence more suited to the job, while the elected representatives may not come up to the ideal. All this may be conceded. Yet if our ideal is to evolve a rural community development programme which is of the people, for the people and by the people and if the people are to grow into a vigorous democracy through it, their elected local bodies have to participate in its planning. They may err for a time, but democracy

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issued on behalf of Ministry of Community Development, by the Publications Division, Government India, April, 1957, pp. 7-8)

32. *Report of the Study Team on Community Projects and National Extension Service, op. cit.*, p.1.

*Cf.* Another statement in the same Report: "During the past few years, plans for community development have often been attempted to be processed not through such democratic institutions but through *ad hoc* bodies like Vikas Mandals, etc. Often, we have been told that the village panchayat is for various reasons not suitable for such work. This is a confession not merely of our lack of faith in democracy but of our failure to make the programme a genuine community development programme. It can become genuine only by operating through the co-operatives on the one hand and the statutory elective representative bodies on the other. (*Ibid.*, p.3.)

33. *Social Progress Through Community Development*, United Nations, Bureau of Social Affairs, New York, 1955, p.12.

is its own school and pours itself into its beings through a process of error, trial and correction.

#### FUNDAMENTALS IN TERMS OF ADMINISTRATION

Now we turn to a study of some fundamental considerations that should govern the administration of a rural community development programme. At the outset it has to be borne in mind that the problem of the administration of rural community development programme is so complex, many-sided and difficult that one cannot exhaust even a consideration of the fundamentals that should govern it but can only make a mention of the more important considerations in the brief space of this essay.

Three basic ideas concern us here. First, the rural community development programme is primarily and essentially educational in its nature and objective. It is educational because more than the actual material advancement it is "concerned with changing such attitudes, and practices as are obstacles to social and economic improvements, engendering particular attributes which are conducive to these improvements and more generally promoting a greater receptivity to change."<sup>34</sup> Further, it has to educate the people in the art of leadership, community life, self-help and co-operative endeavour in the field of rural community development. The educational aspect of the programme should be treated as the governing factor in the organization and administration of the programme. Secondly, while organizing the administrative mechanism, it should be remembered that the objective is not community development in general but the development of a community which is essentially rural and as such the administration should have a distinctly rural bias to bring about real and lasting changes. Lastly, as our analysis is specifically in the context of under-developed countries, it needs to be mentioned that an *under-developed* country is very different from a developed country in resources, both human and material, the mental make-up of its citizens, especially in the context of receptivity to change and a will to affect it by themselves in their sense of priorities and values in life, in their traditions, culture and institutions and above all in their political and administrative heritage which in most cases, for no fault of theirs, has not been democratic. Obviously, therefore, one cannot blindly borrow the administrative structure, devices and mechanism of differently situated and more developed countries and apply them to under-developed areas. It does not mean that one should not benefit from the experience of other countries; what it means is that the

34. *Community Development Review*, December 1956. Quoted in the *Report of the Study Team on Community Projects and National Extension Service*, *op. cit.*, p.2.

ideal should be *selective borrowing* and not *blind borrowing* and the criterion of selection should be its suitability to the people (both the administrative personnel and the common men), their genius and resources and the exigencies of time and place.

Now let us turn to a study of the more important administrative issues.

The first important issue is the role of the Government official in the administration of a rural community development programme. It goes without saying that at least in the initial stages till a rural community learns to stand on its own feet, the Government official has to play a significant role and the community development programme has to be a joint endeavour of the official and the non-official. As Shri Jawaharlal Nehru has observed in the Indian context, "officials and non-officials have both their part to play in this work. Both are essential. Officials should bring the experience of training and disciplined service. The non-officials should represent and bring that popular urge and enthusiasm which give life to a movement. Both have to think and act in a dynamic way and develop initiative. The official has to develop the qualities of the popular leader, the people's representatives have to develop the discipline and training of the official, so they approximate to each other and both should be guided by the ideal of disciplined service in common cause."<sup>35</sup> What then is the exact role of the Government official? As the ultimate objective of the programme is to bring about a self-sufficient and self-governing community, the Government official has to follow the ideal of *laissez faire* or of least interference. His role is not to administer the programme himself but to make the people administer it. He would, therefore, guide operations but would not undertake them by himself as far as possible. He must advise, encourage and warn. This, of course, is the ultimate objective. In the initial stages, however, his is a dual role—taking of initiative himself and evoking initiative in others, using his expert skill and experience in the successful execution of the programme and helping the people to become experts and gain experience, playing the leader and at the same time producing leadership. But for this dual role in the transitional stage, the ultimate objective would never be realized. However, the official should never lose sight of the ultimate objective. He should be a model of self-denial—the more the people learn, the more should he recede into the background. In a word, the ideal should be *progressive democratic decentralization*<sup>36</sup> or from directed action to self-directed achievement.

35. *Kurukshetra, A Symposium on Community Development in India*, op. cit., p.202.

36. It is worthwhile to distinguish decentralisation from delegation. As stated in the Report of the Study Team on Community Projects and National Extension

What should then be the model administrative set-up on the principle of progressive democratic decentralization? The administration of the programme should be entrusted to an elective local institution because it is in a better position to assess the local needs and resources and is nearer the people to evoke their enthusiasm and mobilize their support. It has to be emphasized here that the local institution should have a fully autonomous statutory status and be the sole authority to administer the programme in the area. Dualism of control or authority would divide responsibility and handicap progress. It should have adequate and elastic financial resources. This body should plan the administration of the programme and operate it.<sup>37</sup> The local body should recruit the field workers to be in charge of the operation of the plan from their own area of jurisdiction as far as possible, of course within the limits of the qualifications which the Government should prescribe. The local men thus recruited as field workers will have an essentially rural outlook, will have their roots in the soil, will be in the full know of local needs, problems, resources and genius, will understand local outlook, customs and traditions and will be acquainted with the local language. They will have no complexes, no sense of superiority or contempt for the villagers, which an urban worker cannot help having, while working in rural premises. They will have a humane approach to the villagers, as they themselves are a part of them. They will explain the plan to them in their own language in the context of local needs and with an emphasis on the solution that it will offer to local problems. They will give a sympathetic response to their reactions and suggestions. They will thus impart a new life and a new meaning to the plan for the villagers with the local colour that they impart to it. They will appeal to the local sentiment in the name of the local loyalties to the village that they will thus promise to build up. They will enthuse the villagers about the plan, who will take the field workers as their own people, will repose confidence in them and offer them their whole-hearted co-operation and thus

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Service: "It is not infrequently that delegation of power is mistaken for decentralisation. The former does not divest the government of the ultimate responsibility for the actions of the authority to whom power is delegated; this authority is under the control of the Government and is in every way subordinate to it. Decentralisation on the other hand is a process whereby the Government divests itself completely of certain duties and responsibilities and devolves them on to some other authority." (*Vide: Report, op. cit., p.7*)

37. The Report of the Study Team on Community Projects and National Extension Service has made a strong plea for such a local body in these words: "Such a body, if created, has to be statutory and elective, comprehensive in its duties and functions, equipped with necessary executive machinery and in possession of adequate resources. It must not be cramped by too much control by the Government or Government agencies. It must have the power to make mistakes and to learn by making mistakes, but it must also receive guidance which will help it to avoid making mistakes. In the ultimate analysis, it must be an instrument of expression of the local people's will in regard to the local development." (*Vide: Report, op. cit., p.6.*)

alone can we, as Shri Nehru emphasized, "produce a sensation of partnership with the man in the village. The Five Year Plan of India is a people's plan, and in its implementation a feeling should be generated among the people so that each man, woman and child in India became as it were a 'partner in India Ltd.,' jointly engaged in the great task of building a new India".<sup>38</sup> It may be argued here that suitable field workers may not be available in the local area itself. The obvious reply is that they can be made suitable. After they have been recruited by the local body, the Government may undertake to train them in the art of community development. If, however, we have to provide for a strong popular base to the administration of a rural community development programme the field worker must come from the local area where he has to work.

One may ask here how the Government official is to function in this self-governing administrative mechanism. The Government should attach an advisory council of officials with each local body to serve at times as a path-finder, at times as technical, legal or administrative adviser and at times, of course as rarely as possible, even as a director, supervisor and controller. The local body should, however, have the ultimate control, though in the initial stages the official advisory body shall have to undertake greater initiative, direction, control and responsibility than in the later phase, when the local body and the community have learnt to help themselves. But the official advisory body should work in a democratic way—working at the behest of the local body and that too not in a way as to give the idea of superimposition, or undue and arbitrary interference. With such an official advisory body by the side of a local body as an interim arrangement, one may expect a happy and healthy combination of efficiency with democracy.<sup>39</sup> The Government has also to provide

38. From the speech at the National Development Council, October 7, 1953. (*Vide: Jawaharlal Nehru on Community Development, op.cit., p.5.*) Cf. Another statement of Shri Nehru in his inaugural speech at the first Development Commissioners' Conference, Delhi, May 7, 1952: "Often, we like to sit in our chambers and decide everything according to what we consider to be good for the people. I think the people themselves should be given the opportunity to think about it and thus they will affect our thinking as we affect their thinking. In this way, something much more living and integrated is produced, something in which there is a sense of intimate partnership—intimate partnership not in the doing of the job but in the making of the job and the thinking of the job. It is true that those of us or those of you who are more trained, who have given more thought to the problem and might be considered, to some extent, especially suited to that kind of work are better qualified for thinking and giving the lead than you or I; at the same time, it is equally true that unless those, who may not be specialists but for whom you are working and who ultimately are supposed to work for themselves, feel that mental urge, that impact of the creative spirit within them to think and act, they will not work in the way that we all want them to work." (*Ibid., p.7*)

39. Thus perhaps the objections of the critics to the recommendations of the Study Team on Community Projects and National Extension Service about the decentralisation of authority to a people's self-governing institution may be met without compromising with the democratic ideal which the Team has so ardently and ably

for a team of experts—doctors, engineers, surveyors, irrigation and agricultural experts, teachers and so on. They would assist the field workers in the actual operation and will approach the villagers through the medium of field workers so that their expert knowledge may pass on to the villagers in their own language and idiom in a layman's way which they can understand, appreciate and follow. The Government has also to arrange for the pre-service and in-service training of the community development administration right from the officers to the field worker.

It will not be out of place to consider here the nature of the training, both pre-service and in-service. Of course, the actual courses of training will have to differ from ladder to ladder in the context of the official obligations of the trainee. A few general considerations may be ventured here. The training should not be merely theoretical. It should have a distinct rural bias. The training should emphasize the need of a psychological and human approach in administration of the rural community development programme, so that it may rouse the people's imagination and support for the programme. The training should enthuse the administrators both about the programme and their own job and role in its successful operation so that they may succeed to enthuse the villagers and "kindle a fire within their heart."<sup>40</sup> Above all, the training should not aim at producing experts but better-equipped amateurs with an intelligent grasp of the basic problems of rural development and their solutions. This is particularly essential in the case of field workers who are required not so much as experts to operate the plan but to serve as a reliable link and medium between the Government and the people and the expert and the people. This alone will be economical and practicable; this alone in fact is needed

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espoused. The Report of the Team has referred to these objections as follows: "We have been told, and we do not deny, that such a devolution of powers and responsibilities and the consequent decentralisation of the executive machinery may result in a fall in efficiency. Centralisation and even autocracy often appear more efficient than decentralisation and democracy. This may be true over short spans of time, but in the long run, we believe that democracy and decentralisation assert themselves and succeed better especially in the field of local development and local welfare. Rural development and rural welfare are possible only with local initiative and local discretion. If, therefore, there is a fall in efficiency, as a consequence of such devolution and decentralisation, such a fall will, we have no doubt, be temporary. The lack of efficiency of many of our present rural self-governing bodies has been due to too large a jurisdiction, too few powers and too scanty finances accompanied by an absence of close relationship with the village panchayats and of wise guidance by Government or by political parties. Nor have any efforts been made either by the Governments or by public or political organisations to impart any training in administrative matters to persons elected to such bodies." (Vide: *Report, op.cit.*, p.7-8.)

40. From an English version of Shri Jawaharlal Nehru's Hindi Broadcast on the occasion of the inauguration of Project Officers' Training Camp at Nilokheri (Vide: *Orientation and Training Course for Project Executive Officers at Nilokheri: Summary Record of Talks*, issued by Community Project Administration, Planning Commission, Government of India, 1952, p.25)

as it has already been suggested that the Government should provide for a team of experts to look to the technical side of operations and this alone will give a large number of field workers who in fact will form the life-spring of the successful operation of the programme.

It will be obvious from the above that the actual administrative mechanism shall thus have to consist of the elected non-officials as ultimate authority, officials as advisers, experts as technical operators and field workers as the subordinate but main plank of the operative machinery. As far as the working principles of this administrative mechanism are concerned, one can venture certain general suggestions in the following words of Shri S.B. Bapat :

#### *“Principles of Administration*

Technique is a continuous move to improve things as a result of research and experience. The aim should be to evolve such a technique that it becomes an automatic action.

There is always an objective for any administration and the following are the essentials for being a good administrator :

1. Know thoroughly what your objective is, or in simple language “what is to be done and for what purpose”, the objective being the attainment of a job for a particular purpose.
2. Assess your requirements and the resources at your disposal for achieving the objective by conducting the survey of requirements and resources. To put it in other words it means “What for do I need it and what have I got?”
3. How resources are going to be used or what is commonly known as planning both in time as well as in space. It involves the setting up of machinery for doing a set of things in relation to each other by a set of people and allocation of duties for each one of them. It may also involve a process of breaking down of administration of the main objective in sub-objectives and then co-ordinating the activities to ensure that they function in a particular manner.

#### *Organization*

In an efficient organization everybody concerned must know what is the main objective or the sub-task he has to perform; who are the people above him to take orders from and those below him whom he has to issue orders; what he is supposed to do and what his specific responsibilities are. The following are the points to be taken care of in a good organization :

1. The objective must be clear to everybody concerned.

2. Responsibilities must be commensurate with an equal amount of authority for each one of its component offices.
3. Lines of responsibility and authority must be quite clear. Nobody should be made to serve two masters on the same subject.
4. There must be no jumping of levels for issuing orders or asking for information. In case of expediency when direct orders are received or sought from authority not directly on top the middle authority must always be kept fully posted with the development.”<sup>41</sup>

One may add a geo-politic consideration to the foregoing technique of administration suggested by Shri Bapat. The principle of ‘*a reasonably manageable area*’ should always govern the determination of administrative jurisdiction. First, the administrative units of a community development programme should be neither so large as to defeat the very purpose for which they are created nor so small as to militate against efficiency and economy. Secondly, the field worker should have a limited area of service to which he may devote personal attention and to improve which he may make a concerted effort. If he is to dissipate his energies over too vast an area, as in India, no concrete results are possible.

The survey of the fundamentals of the administration of a rural community development programme will not be complete unless it is emphasized that administrators right from the officers at the top to the field worker and also the non-officials have to play the *democratic leader* and a human psychologist. It can hardly be over-emphasized that “democracy needs a completely new organization of the technique of administration, which will be consistent with the factors and the aims which a democratic community seeks to achieve. Democracy requires leadership. Autocratic bossing of the job is not real leadership. It may be ‘executive ability’ but if so it is an ability to ‘execute’ the aspirations of democracy, to suppress them and discourage and destroy them rather than to lead them. All too long democracy has to fight against these unsympathetic attitudes of the typical administrator.”<sup>42</sup> A democratic leader is one who has a sense of innate affinity with the people, loves them in spite of their handicaps and failings, is drawn by instinct to serve their needs and wants and seek to improve their lot with a sense of duty and with all sympathy

41. S.B. Bapat, “Technique of Administration”, *Orientation and Training Course of Project Executive Officers at Nilokheri, Summary Record of Talks*, op. cit., pp. 99-100.

42. This statement from Joseph K. Hart has been quoted by Arthur E. Morgan in his book *The Small Community*, New York & London, Harper and Brothers, 1942, p. 172.

and humility at his command. He must find joy in working for the people and with them, with all perseverance and patience. He must have honesty of purpose, integrity of character and transparent sincerity in his approach and action. Words alone will not do; precept must be enlivened with practice and "character must square with words in long-time rural leadership."<sup>43</sup> They must have a genuine passion not only to play the leader but to produce leaders. Spencer has well summed up the qualitative make-up of a leader as follows :

1. Ability to inspire a following in sympathy with and loyal to the task.
2. Knowledge of situation and clear conception of problem.
3. Sympathy with and loyalty to the situation.
4. Ability to solve problems and put theory into practice.
5. Group harmonizer, spokesman, planner, in short, integrator.
6. Initiative, organising ability, intangible personal factors.
7. Reflecting morals and emotions of group but may change both.
8. Sufficient strength to carry out project.
9. Willingness to be leader.
10. Faith and hope in the goal sought."<sup>44</sup>

Such democratic leaders alone can evoke spontaneous response from the people and mobilize them in action as a commander inspires an army on the field. It is, however, no easy job. Very patient, careful and essentially humane psychological handling is needed. The villagers in under-developed countries are both conservative and orthodox. They have their own psychological morings, whether good or bad, in religion, custom and traditions and are averse to revolutionary ideas. Their age-old experience of sickness, misery, and ignorance has bred a sense of fatalism in them and has stunted their intellect and initiative. Their backwardness has deprived them of all the contact with new values of life and with the new advances that civilization has to offer to make life more productive, more comfortable and more lasting. They have lost self-confidence and refuse to believe that they too can help themselves. Their heritage of a 'Maa Baap' government always comes in their way. The administrators have, therefore, to go slow, approach the villagers with sympathy and understanding, win their confidence by love and service, show all indulgence for their weak points, change their institutions and practices by persuasion and goodwill and inspire them to action by

43. D.Spencer Hatch, *Towards Freedom From Want*, Geoffrey Cumberlege, Oxford University Press, 1949, p.117.

44. *Ibid.*, p.118.

concrete results and example. It is a stupendous task and needs, not white collar urban bureaucrats steeped in the traditions of a police state, or young graduates having no interest in rural development except that of employment, but simple, public spirited and rural development minded band of administrators, as far as possible from the rural folk itself.

Lastly, it should be recognized that a science of rural administration has to develop, if the rural community development programme is to be successfully administered. Government sponsored or, better still, independent institutions such as universities and colleges should take up this work. Similarly, these independent bodies should also attempt an independent evaluation of the community development programme already in operation and thus assist the Government and the public to improve the administration of the programme in the light of their unbiased findings.

#### CONCLUSION

The more important conclusions of the foregoing survey are :

- (1) That a rural community development programme should be *multi-purpose, multi-focussed* and *multi-processed*;
- (2) That it should be a people's programme and for this it should embody their needs and aspirations with their sense of priority as far as possible, should be planned with their maximum participation and should aim at the ideal of community helping itself both in planning and operation;
- (3) That the planning of the programme should have a local and rural bias;
- (4) That the administration of a rural community development programme should have democratic leadership, local management, and expert advice in operation;
- (5) That the personnel should have rural bias both in recruitment and training;
- (6) That the administrators should adopt a humane psychological approach, while dealing with the villagers; and
- (7) That the Government should encourage the growth of a science of rural administration and help research in techniques of rural administration and evaluation of rural community development programmes by such independent bodies as universities and colleges which are nurseries of pure and fresh thought.



## PUBLIC ADMINISTRATION IN YUGOSLAVIA

*F. J. Tickner*

THE machinery of government in Yugoslavia is unique in character and of great interest to students of public administration. Although it has some affinities to the administrative systems of other European countries, it has adopted, since the revision of the Constitution of 1953, principles which have no exact parallel elsewhere. This article attempts to give a general picture of Yugoslav public administration, without attempting to evaluate the effectiveness of its operation, a task which would be almost impossible for a foreign observer.

For a full understanding of the present administrative situation, some preliminary historical and political observations are necessary. Although the Yugoslavs form a homogeneous ethnic group, Yugoslavia has not been a political unity since the Turkish invasions of Europe in the fourteenth century until the end of the first world war, when a centralized monarchy was established under predominant Serbian influence. This was destroyed by the German invasion in 1941 and on 29 November 1943, the federated state of Yugoslavia was set up by the Council of National Liberation at Jacje, whilst the country was still partly occupied by the German forces. Belgrade, the capital, was liberated in 1944 and the new government gained effective control of the whole territory of Yugoslavia by May 1945. The new state was formally proclaimed the Federated People's Republic of Yugoslavia on 29 November 1945. Apart from some differences in the region of Trieste, it has the same geographic area as the monarchy.

Yugoslavia was for many centuries divided between Austrian and Turkish control. From the beginning of the eighteenth century the frontier between these two cultural influences was stabilised roughly along the line of the river Save. This cut Serbia in half and left Belgrade, now the capital, right on the border as a Turkish bastion overlooking the Save and the Danube. The Serbs gained some measure of autonomy during the first half of the nineteenth century but it was not until 1867 that Prince Michael finally secured the withdrawal of the Turkish garrisons from southern Serbia. The northern part of Serbia, Voivodina, remained under Austro-Hungarian control and in 1908 the Austrians extended their influence even further south by effectively ousting the Turks from Bosnia and Herzegovina. As a result of the second Balkan war, Macedonia became part of Serbia

in 1913. Montenegro has continuously maintained its independence since the fourteenth century.

In spite of the foreign influences brought by this long period of invasions, the mountainous nature of most of Yugoslavia has enabled it to maintain a traditional culture, predominantly indigenous, varying from district to district and even from valley to valley. In the northern half of the country Austrian influence led to the general adoption of the Roman Catholic religion and to the use of the Roman alphabet. In southern Yugoslavia the Greek Orthodox religion has survived the moslem invasions and the Cyrillic script held its own. Turkish influence has left behind a number of moslem communities, principally in Bosnia and Herzegovina, and it is estimated that about eleven per cent of the whole population is moslem. Serbo-Croat, the principal language, is written in the two different scripts and spoken with some variations in Serbia and Croatia. The two other slavonic languages, Slovenian and Macedonian, are closely allied to it, but with greater variations from it and from one another than the variations between Serbian and Croatian. In addition there are ethnic minorities using other languages, notably Albanians, Hungarians, Turks and Slovaks, which account for about 2,000,000 out of a total population of 18,000,000.

Modern Yugoslavia consists of a Federation of the six People's Republics of Serbia, Croatia, Slovenia, Bosnia and Herzegovina, Macedonia and Montenegro. Croatia and Slovenia were longest under Austrian influence, together with northern Serbia, which, because of its different history and its ethnic minorities, has now a special status as the Autonomous Province of Voivodina. Thus half of the country came under the administrative and legal traditions of the Austro-Hungarian empire and during the period between the two world wars the administration also looked towards France for many of its ideas. We therefore now find a strong tradition of administrative law in the operation of the administration, under the ultimate jurisdiction of the federal and republican Supreme Courts. The structure of local government also has superficial similarities to that of Austria but in fact the system of local self-government is characteristic of Yugoslavia.

When the country became independent again at the end of the second world war, a communist government was established with strong tendencies towards political and administrative centralization in the management of the economy, although equal scope was given to all of the constituent republics and Serbian predominance disappeared.

the leaders of the National Liberation Movement and of the government were drawn from all parts of Yugoslavia. This initial period of state socialism is generally regarded in Yugoslavia as having been a necessary phase in the reconstruction of the country from the ravages of war and occupation, but by 1950 a strong reaction set in against this economic centralization which had led to the creation of massive government departments and directorates of national enterprises, and so to a bureaucracy large in terms of the size of the administration. A developing system of local self-government existed from the time of liberation so that the ground was already prepared for a revision of the Constitution in 1953 which introduced drastic measures of decentralization in the economic and social structure of the country as well as in its administration.

The developments during the first period are not considered to have been misdirected. To quote Kardelj, one of the most prominent members of the government, . . . "At the time when this (centralized) system came into being, this was necessary because it was possible only in this way to concentrate material resources on the most basic tasks in order to create material conditions for further socialist construction, for further development. Certainly this system has on the whole given positive results. If we are renouncing it today this does not mean that we are doing so because we made a mistake at that time, but because we believe that we have attained on the whole the desired objective and that thus we can go further."

The keynote of the changes of 1953, which have set the pattern of the administration of present-day Yugoslavia, was the devolution of authority as far as possible from district organs to the municipality or commune, the basic unit of local government, which has been taken as the primary level of operations not only in government but also in the economic and social structure of the country. In industrial enterprises and in the highly developed system of social insurance, the same principle of devolution has been applied with committees of management at the appropriate levels, designed to stimulate popular interest and participation. Thus each enterprise, each educational institution, each apartment building, each hospital and so on, has an elected council with general responsibility for its operation and administration; the managerial appointments are held by professional men or technicians who are also members of the governing council. Service on these committees is regarded as a valuable civic training which qualifies the individual to assume similar responsibility at higher levels up to membership of the Federal Assembly.

This concept of collegiate management is based on the assumption that in order to stimulate the effective interest of the people in

government there must be active participation within a small enough unit to maintain the interest of the individual. Again to quote Kardelj the commune "is the most suitable political form through which the widest circle of working people may be attracted to participate directly in social government... There is no doubt that such a commune will become the basis of our entire political system." The ultimate objective in the Yugoslav political philosophy is to reach a stage "where the entire population will be participating in government", a phrase attributed to Lenin.

Such an approach as this, different altogether from that of so many political societies, has had far-reaching effects on the machinery of government. Of course, decentralization still leaves considerable authority in the hands of the federal and republican governments and the administrative structure is best examined from the top, rather than from the bottom. Yugoslavia is constitutionally a federal state. It consists of the six People's Republics—Serbia, Croatia, Slovenia, Bosnia and Herzegovina, Montenegro and Macedonia—together with the Autonomous Province of Voivodina, already mentioned, and the Autonomous Kosovo-Metohia Region in southern Serbia.

The Skupshtina, the Federal People's Assembly or federal parliament, has two houses, the Federal Council and the Council of Producers, each elected for a four-year term. Members of the Federal Council are elected from single-member constituencies; members of the Council of Producers by the councils of producers of the district people's committees. The members of both houses of the Skupshtina also have the right of membership to the appropriate chamber of the district or city council where their constituencies are situated. In addition, the Federal Council includes 10 deputies from each Republic, six from Voivodina and four from Kosovo-Metohia, elected by the republican assemblies. For certain specific purposes, especially constitutional amendments, these republican deputies sit separately as the Council of Nationalities.

The executive organ of the Assembly is the Federal Executive Council, of which the President of the Republic is also president. The President and the Executive Council are elected by the Assembly in joint session for the same four-year term as the assembly. By the constitution the Executive Council has not less than 15 members (at present there are 34 members) and each of the Republics must be represented in it. Its members are elected from among the members of the Federal Council of the Federal People's Assembly and they include all six of the presidents of the Executive Councils of the Republics. The members of the Federal Executive Council do not hold specific portfolios, as in a cabinet of ministers; they assume collegial

responsibility for all decisions and are collectively responsible to the Skupshtina. Attempts are being made to develop a system of parliamentary questions, similar to that in force in the British House of Commons.

The administrative work of government is carried out by secretariats, which correspond approximately to departments of state. These fall into two categories. The State Secretariats deal with Foreign Affairs, Defence, Home Affairs, Finance and Trade; these are matters in which the federation is concerned to a greater extent than the republics. The matters in which the republics play the more important part in government are dealt with at the federal level by Secretariats of Legislation and Organization, General Economic Affairs, Industry, Agriculture and Forestry, Transport and Communications, Labour, Culture and Education, Health, Social Protection, Judicial Affairs, Information, and General Administration. Members of the Federal Executive Council may become heads of State Secretariats. The Secretariats of Foreign Affairs and Defence are necessarily headed by members of the Federal Executive Council. In addition, there are Administrations responsible for such matters as Customs Administration, Geodetic Survey, Patent Rights, Civil Aviation, Federal Revenue Administration and so on, and a number of Boards, Commissions and Administrative Institutions.

Co-ordination between the Federal Executive Council and the State Secretariat and Secretariats is achieved through a series of committees. The chairman and at least two members of each committee must be members of the Council; other members may be drawn from the Federal People's Council, from senior members of the State Secretariats and Secretariats as well as from representatives of interested institutions and organizations. These committees discuss proposals for new legislation drafted by the State Secretariats and prepare business for the Executive Council, which may invite their advice and observations on specific proposals, but all matters within the Council's jurisdiction are brought to a plenary session for decision. The Council has four Vice-Presidents. Several of the State Secretaries are members of the Federal Executive Council, though only those for Foreign Affairs and National Defence have a prescriptive right to be elected.

The Federal Executive Council is advised on matters of public administration by the Organization and Administration Committee, one of the committees referred to in the previous paragraph and by the Legal Council, an advisory organ of the Federal Executive Council. The Secretariat of Legislation and Organization has overall

responsibility for the machinery of government, including political organization. The Secretariat of General Administration deals with personnel matters and approximates to the Establishment Division of the British Treasury.

The difference between political and career appointments is not as clear-cut as in the United Kingdom or France. There is a well-defined career system which involves a two-year probation with a written examination at the end of it and a minimum of ten years service as a qualification for pensionable status, approximating to an established appointment. There are also recognizable cadres, in the French sense, that is successive grades in a particular category of service offering step-by-step promotion. At the same time a very large number of appointments are made by direct selection from candidates who may apply in response to advertisement in the Official Gazette. No doubt many of these are in practice filled by applicants from the grade below.

The individual civil servant is regarded as in the service of his agency—federal, republican or communal—but the system allows a good deal of mobility. Standardization of pay and conditions of service are secured, as in France, by legislation and a salary scheme applicable to all departments. In the higher ranges of the administration, many appointments are political in character but the stability of the political system has minimized changes, so that in fact there is much of the continuity which is normally regarded as an important asset of a non-political career system.

In the People's Republics the same pattern of administration is repeated, with the difference that there is a President of the Executive Council, not a president of the republic. The distinction between State Secretariats and Secretariats is maintained but the subjects reserved for the State Secretariats of the republics are Internal Affairs, Judicial Affairs and Finance. In Zagreb the republican Assembly still has the old Croatian name of *Sabor*, an interesting example of the maintenance of ancient traditions.

The Autonomous District of Voivodina and the Autonomous Kosovo-Metohia Region have a somewhat simpler administrative structure. Voivodina, which is part of the ancient Pannonia, is the fertile agricultural area which in many ways is the most developed part of Serbia; but it has special administrative problems arising from the existence of national minorities, mainly Hungarian and Romanians, using their own languages.

The system of directly elected bicameral people's assemblies, each with an executive council, also applies to the communes. These have secretariats, departments and other administrative units, dealing with specific functions of government and their work is co-ordinated by functional boards or by committees of the communal assembly reminiscent of those in British local government. In Belgrade and some of the largest urban areas, there is a two-tier municipal system somewhat on the lines of that in force in London, but the Councils of the People's Committee of the city of Belgrade (corresponding to the London County Council) are elected by the members of the corresponding councils of the People's Committees of the seventeen communes (corresponding to the Metropolitan Boroughs). The Republics, except Montenegro, are subdivided into Districts, and here too members of the People's Committees are elected by the corresponding committees at the lower level. The same procedure applies to the election of the councils of the republican assembly in the People's Republic of Montenegro. There are altogether nearly one hundred districts and cities.

This extensive system of representative assemblies, each with its executive organ, its functional committees and its administrative secretariats, has created an immense problem in public administration. In the 1193 communes alone, there are 38,000 communal councillors and over 30,000 members of the councils of producers. Each of these units of government had additional executive functions placed upon it by the policy of devolution and the federal laws have more and more become directives to be administered at the lower levels. Some idea of the personnel problems involved may be judged from the fact that the number of staff (excluding the defence forces and the police) borne on the federal budget fell from 43,578 in 1948 to 8,060 in 1955. Although administrators with experience of central government thus became available at lower levels of administration, it was decided that members of existing staffs should not be displaced merely because they had inadequate educational background for their enhanced functions. This created a training problem of the first magnitude. Administrative schools were set up to supplement the knowledge and qualifications not only of local officials but also of holders of political executive appointments in order to raise the general level of administration.

These administrative schools were created in 1956 by federal law, which makes them the responsibility of the republics, one each in Bosnia and Herzegovina, Croatia, Macedonia and Slovakia, and three in Serbia : at Belgrade, Nish and Novi Sad. Students are drawn from the middle ranks of the administration of the republics, communes

and state institutions and organizations and individuals from outside the administration may also be admitted. Attendance is full time and on full pay, for two years; the basic principles of the teaching programme and the standards required for admission are prescribed by the Federal Executive Council. Special preliminary courses are arranged for candidates who do not satisfy the educational standards required and provision is also made for external students working through correspondence courses. The Administrative School of the Serbian Republic in Belgrade, for example, in its first two-year course from 1956 to 1958, trained 260 students of whom 246 qualified for the diploma. Of the total number, 132 came from communes, 58 from districts, 14 from the service of the Republic and 56 from economic and social institutions.

The curriculum places considerable emphasis during the first year on the legal aspects of administration. In the second year the syllabus includes economic and social studies with special emphasis on the economic structure of the country and each student takes an optional subject related to his official duties. On the whole, the course seems to give emphasis to theory rather than practice but in concept it aims at educational development rather than vocational training; the indirect catalytic effect of bringing together students from such a diversity of decentralized units must be of great value in the development of common administrative practices.

At Zagreb an Advanced School of Administration has been established which accepts students from throughout Yugoslavia, though the majority come from Croatia. This offers a two-year course at a somewhat higher level than the schools in the Republics. It is residential but it also provides for external students. It accepts each year about 200 applicants who must satisfy the requirements of an entrance examination. As part of the curriculum, students, either individually or in small groups, have to prepare a thesis discussing some aspect of their professional task and at the end of the course a copy of the thesis is sent to the Executive Committee of their unit of administration so that it may be discussed in terms of the realities of the situation on their return to duty.

Three other important developments are taking place in the improvement of public administration. At the University of Belgrade, the Faculty of Law is considering proposals for an alternative syllabus with heavy emphasis on economics and administration for third and fourth year students. An independent Institute of Social Sciences has also been set up in Belgrade, with a Political Science and Legal Department which will interest itself in matters of public administration.

The Federal Executive Council has recently established an Institute of Public Administration to "lend aid to state organs and other institutions and organizations in the advancement of public administration", to foster the improvement of personnel organization and training, to assist the work of the administrative schools, to help in the framing of professional examinations, to organise study courses and collect documentation, and to foster the study of problems of administration and management both in Yugoslavia and elsewhere. In connection with this last objective, it will absorb an Organization and Methods unit, which was already in existence before the creation of the Institute. The statutes of the Institute also require every student attending its courses "to defend before a commission his written thesis from the field of public administration", before he qualifies for its diploma.

Intimately interested in, if not directly associated with, developments in public administration is the very active Federal Institute of Productivity. One of the projects inspired by this organization is a Management Training Centre at Zagreb set up in July 1955 with the aid of the International Labour Organization.

The measures of decentralization which have been imposed on this relatively young administrative system would have been a severe strain on the resources of a more developed public service and an impartial observer can only have the greatest respect and admiration for the boldness with which they have been carried out. The idea of increasing popular participation by extensive devolution of authority is a challenging one. It is impossible for an outsider to assess the effectiveness of the administration as a whole. It is fairly obvious that with nearly 1200 communes, operating in a country with great regional divergencies of historical and social background, standards must vary considerably and the same must hold true of the economic enterprises. This is not by any means a source of weakness. The fact that a high proficiency is achieved in some places sets a standard at which others can aim and the underlying concept of popular participation creates a direct interest in improvement. On the other hand it is not easy to see what forces stimulate the backward units when authority is so diffused. Presumably questions of disputed jurisdiction also arise from time to time and call for solution. The outsider is impressed by the purposefulness of those concerned with the building of the new administration, by their readiness to make a heavy financial investment in the various training schemes and by the general interest in progress which has been aroused throughout the administration.

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# RESOURCE MOBILISATION FOR THE THIRD PLAN

*Parmanand Prasad*

*[The quantum of resources likely to be available for the third Plan and the manner and method of raising them is of significance for the scope and scale of administrative tasks to be undertaken under the third Plan. In the present article, Dr. Prasad discusses this problem in the larger context of the need for a realistic approach, for a closer and increased association of the people in the formulation of the Plan and in the mobilisation of resources, for increased employment opportunities on labour-intensive basis, and for a decentralised pattern of administration—Ed.]*

THE Second Plan is on the last lap of its journey now. It is natural, therefore, that thinking should begin about the nature and size of the Third Plan. The Planning Commission is making various types of background studies. These studies are being made by the various working groups entrusted with specific problems. Some of them have, in fact, submitted their tentative findings also.<sup>1</sup>

Expert opinion from foreign specialists like Prof. Galbraith, Prof. Little, Prof. Malenbaum and others has also been sought. Some of them have either already sent their observations or are going to send them to the authorities concerned. Except in respect of such information as is doled out to them by the Government through the press or through specialist articles<sup>2</sup> and Seminar discussions inadequately covered by the newspapers of the country, the public is in the dark about the state of thinking regarding the Third Plan.<sup>3</sup>

1. The Prime Minister, in reply to a question at his monthly press interview, said that the draft plan may come out sometime next year or at the end of the present year.

(The Statesman, 8th July, 1959.)

2. e.g., by persons like Shri Ashok Mehta, Dr. K.N. Raj, Shri Pitambar Pant, and others.

3. The earliest to appear was a pamphlet from the Secretariat of the Congress Socialist Forum under the guidance of Shri S.N. Misra, Deputy Minister, Planning. It was followed soon by a Seminar on the subject at the Annual Meeting of the All-India Universities' Planning Forums. The Congress has also appointed a number of sub-committees to study the problems connected with the Third Plan. Only recently, at Ootacamund, the Congress Planning Sub-Committee held a seven-day continuous discussion on the subject. The Press hand-out was unfortunately so brief and couched in such general terms that it did not convey much. The various states of the country are also preparing background material and sending suggestions to the Planning Commission regarding the nature and size of the Plan they would like best. The state plans are departmentally drawn. The states lack planning machinery.

Once again, it seems that the defects of excessively centralised thinking are likely to enter into the Third Plan. Perhaps, it is premature to make such a sweeping remark, but the dangers are latent in the very process of thinking on the Plan.<sup>4</sup> Let us illustrate the point with reference to the problem of internal resource mobilisation which occupies the centre of discussion today.<sup>5</sup>

#### THE PROBLEM OF INTERNAL RESOURCE MOBILISATION

In the lack of specific decisions regarding investment and output targets item-wise, which could have formed the first firm base for making estimates of resources, most people seem to be making 'intelligent guesses'. In fact there has been almost a proliferation of such guesses in overall terms. What happens is that people make certain suppositions regarding the rate of growth of national income. Some allowance is then made for consumption on two broad considerations:

- (a) that the propensity to consume in a developing economy must be kept at the minimum. This minimum is what specialists characterise as permissible or reasonable. The projected level of consumption is largely arbitrary.
- (b) That a certain rate of investment is assumed to be desirable in the given context.

A certain total is then indicated as the likely requirement for the third plan.

The above technique is generally employed to come to an overall figure. It is this figure, the child of mind, which is christened by such names as suit the preferences of different individuals. Theoretically there is nothing wrong in this technique if only a synoptic view is desired to be had. What is undesirable, however, is that such an abstraction does not take into account practical limits. Firstly, it raises question of high political policy, secondly, of administrative capacity, thirdly, of the limitations inherent in fiscal devices themselves and lastly of inverted approach. The obvious is always the first casualty in overall considerations. A consideration of resource requirement and increment without reference to the contents

4. One reason why such a thing is happening may be that political policy decisions regarding priorities have not been taken so far. Political parties other than the Congress, surprisingly enough, also seem to have done precious little in this direction. The end-product of all this has been that a wrong start has been given to thinking at most levels.

5. This article is concerned only with this aspect of the question. Deficit financing has not been discussed because the writer considers it as a measure of last resort, when others have failed or proved inadequate. Some deficit financing is implicit but credit on resource account should not be taken for it from now for the entire period of the third plan.

of the plan is amazing indeed. This is so because the contents of the Plan, resource creation and mobilisation are mutually interdependent.

Some people are fond of a safe and modest plan. Others prefer a bold and a socialist plan, a third group of people would like to have an employment-oriented plan and yet another would have nothing less than such a plan as would enable the country to break the development barrier so that the economy could take-off fuelled adequately on a self-sustaining journey in the company of developed economies.

Some people make it conform to the model already given in the Second Plan.

Table No. I  
PLAN PROJECTIONS (AT 1952-53 PRICES)

Item	1st Plan (1951-56)	2nd Plan (1956-61)	3rd Plan (1961-66)	4th Plan (1966-71)	5th Plan (1971-76)
(1)	(2)	(3)	(4)	(5)	(6)
1. National income at the end of the period (Rs. crores)	10800	13480	17260	21680	27270
2. Total net investment (Rs. crores)	3100	6200	9900	14800	20700
3. Investment as percentage of national income at the end of the period	7.3	10.7	13.7	16.0	17.0
4. Population at the end of the period (in millions)	384	408	434	465	500
5. Incremental capital-output ratio	1.8:1	2.3:1	2.6:1	3.4:1	3.7:1
6. Per capita income at the end of the period (in Rs.)	281	331	396	466	546

According to this projection, a total net investment of Rs. 9,900 crores was envisaged. Two important additions may be made at this point.

(i) A rise of 10 to 12 per cent in prices and (ii) a rise in population by .5 more than the 1.5 per annum calculation based on the 1951 census figures. A round figure of Rs. 10,000 crores will barely cover rise in prices. The rise in population is thus left uncared for. This is an ominous pointer to the contradiction inherent in the progress of the Plans. The implications of this rise in the rate of growth have to be faced on the food and employment fronts. If deficit financing and foreign aid be left out for purposes of discussion, since we are

concerned only with the question of domestic resource mobilisation in this article, the immensity of the problem would come to full light. Relatively to the present position in which the share of national domestic savings in investment is only 7.5 per cent or thereabout, a doubling of this figure would be required for the Third Plan in order to achieve a 6% increase in national income.

The use of adjectives in the context of an overall figure of say Rs. 10,000 or 9,900 or even less, not only reveals the bias of people, but what is more, vitiates discussion in more than one respect. Firstly, it leads one to think more in macro than micro-cum-macro term. Secondly, it creates a false impression that there is disagreement among the advocates of this or that type of an overall figure. Actually, however, if one cares to go deeper and examine the so-called disagreements scientifically, one would find a wide area of agreement. This is so because totals and general terms hide unsuspected areas of agreement which usually escape notice at first sight. Most people are actually talking more or less about the same magnitude (Rs. 10,000 or 9,900 crores or 9,750 crores) and yet a difference is superficially sought to be introduced by qualifying words like safe, bold, adequate etc. Actually the difference, if at all, relates to emphasis here and there. Thirdly, it does not allow sufficient attention to be bestowed upon the problem of phasing the plan from year to year. Moreover preoccupation with overall totals may lead to an undesirable conditioning of mind in their favour. Snap decisions may ultimately be taken on this basis without taking necessary preparatory measures in respect of sub-policy and executive detail. The overall figures represent estimates of probable financial expenses on unspecified projected requirements. Planning postulates something more than this. We want to know not only what we may require and why but three things more: (a) What is proposed to be done? (b) How can it be done best? and (c) Whether and to what extent we can be sure of our efforts?

It is perfectly in order for the planners to point out the places where surpluses in the economy may be lying and how and why they should be siphoned off for public use. But they would do well if, simultaneously, they go on indicating limitations and requirements of measures and agencies employed for mobilising resources. The truncated success of the Second Plan, (largely due to timely foreign aid and our deliberate lowering down of the "hump" so that we could climb it) should serve as a grim warning. The spillover of problems unsolved during the Second Plan (for example, unemployment in the context of our spirally increasing population) adds to the difficulties. The lowering down of the "hump" (target of investment) from 4,800 crores to 4,200 crores may have eased the situation a bit at the time

when it was done but has, in fact, made it all the more imperative for the country to make relatively bigger investments. A lowered investment target carries its own inescapable penalty in the sense that the less the investment, the less the national income and therefore the less the investible surplus for the future. The problem of resource mobilisation for the Third Plan, therefore, should be considered as a continuation of the present scarcity of resources.

#### SAVING-INVESTMENT PATTERN

The grim fact is that the pool of investible resources is, in reality, very small, at present. We can hope for more only if we go on enlarging its width and depth year by year and simultaneously devise fiscal, monetary and administrative techniques to mop it for public use. The latter is far more difficult than the former because the savings-investment pattern of the country is traditionally so organised that between 80 to 90 per cent of production in the country even now is accountable to direct private investment of surpluses. We want to take care of 2/3rd of the total investments in the country by the end of the Third Plan but 80 to 90% of the economy is still subject to private investment decisions.<sup>6</sup> This is one of the biggest incongruities of planning in India. Unless the entire pattern of saving-investment is reoriented to the new demands on savings from the public sector on account of planning, it is not clear how the planners can ever reach their goal of Rs. 10,000 crores or more.

Prof. Shenoy<sup>7</sup>, while indicating that 90 per cent of the national income comes from the private sector, 4 per cent from the public and 6 per cent from the administrative sector (salaries and so on of the civil servants and others) suggested that the logic of this preponderance of private over public contribution was that the private sector "naturally should have the first claim over it. . ." This means perpetuation

6. Actually since the First Plan public share of investments has been somewhere between 48% to 55%. Much of it consists of (a) deficit financing and (b) foreign assistance. It follows, therefore, that domestic resources have not contributed much. The Second Plan postulated 25% financial outlay through deficit financing, but we may end at 37 or 38%. In the first plan, it was 21.4% only. Only 21 to 22% is domestic finance so far. Public savings were minus in 1958-59. It is -36 crores in 1959-60.

7. Proceedings of the Seminar on Approach to the Third Five Year Plan, Page (13) (Planning Forum). It is bad enough, as is the case today, to allow income to be generated at all kinds of not easily traceable centres and then rely on locating and mobilising them from those places through taxes but it is worse still to argue that they should be left there.

Co-operative farming is an essential institutional change demanded by the situation of fragmented ownership of land. Income generated in this sector due to planned effort can neither be traced nor easily tapped. If co-operative farming is there, the saving-investment pattern of the agricultural economy which is our largest enterprise uneconomically dispersed, will become corporate. It will become easier both to locate income and tap it.

of the imbalance and leaving the idea of planning altogether. Neither of these is desirable or practicable. To leave things to drift as they have continued to do since long need not be the natural way. It may, however, be the lazy way. It is quite possible to argue the other way. In the context of planning, perhaps, this will be more natural.

### RESOURCES FROM NEW TAX EFFORTS

Recent trends in public revenue and expenditure (see Table No. 2) will show that a good job has already been done in this respect and we should not hope to have very much from this source by stretching and manipulating it. We may not have, however, reached the last point in taxation.<sup>8</sup> Perhaps there may still be scope there.

Table No. 2

#### *TRENDS IN PUBLIC REVENUE & EXPENDITURE IN INDIA*

(Figures are in 100 crores; fractions ignored)

ITEM	1952- 53	1953- 54	1954- 55	1955- 56	1956- 57	1957- 58	1958- 59
1. Total Public Revenue	8.0	7.7	8.9	9.3	9.1	10.6	10.2
(i) Tax Revenue	6.5	6.1	7.0	7.2	7.1	8.2	7.9
(ii) Non-tax revenue	1.5	1.6	1.9	2.1	2.0	2.4	2.3
2. Total Public Expenditure	9.3	9.1	12.0	13.2	14.8	17.4	16.7
(i) Non-developmental (overall) of which	5.0	4.4	5.8	5.1	5.4	7.0	6.6
Defence only	1.9	1.9	2.0	1.9	1.9	2.5	2.4
(ii) Development	4.3	4.7	6.2	8.0	9.4	10.4	10.1

1. Revenue figures of the Centre and State Governments combined together.

2. Developmental Expenditure may be Plan-Developmental or Non-Plan developmental depending upon whether or not it is in or out of the Plan. Moreover, it does not take account of development expenditure on commitment account i.e. projects completed in the previous plan. Usually it refers to current expenditure on agriculture, irrigation, community projects, civil works, industries, forests, aviation, education, health, broadcasting, etc., capital outlay on schemes included in capital account, and loan and advances.

3. Non-developmental expenditure i.e. defence, debt services, general administration, police, administration of justice, stationary and printing, currency and mint, State trading and certain miscellaneous items which include the Planning Commission and the development wing of the Commerce Ministry.

There is some scope of manoeuvrability regarding excises, taxes on luxury and semi-luxury goods, sales tax etc. Similarly something can be said in favour of lowering the existing exemption limit of the

8. It is said that we have reached the last point of taxation. This is obviously a wrong expression because simultaneously income is also increasing. How can we say, therefore, that the last point has been reached. Resources, it has rightly been said, do not just exist—they become resources when they are tapped and put to use.

income tax. Perhaps a rationalisation of the system is needed by amending the Income tax Act in such a manner that, for purposes of this tax, income from agriculture is also taken into account.<sup>9</sup>

It is no use speculating how much we could get if there were no tax avoidance and evasion. This is anybody's guess. But there is no doubt that the loss to the State must be immense, specially today when the marginal value of each rupee not coming to the public exchequer is very high indeed. There is no doubt that administrative efficiency could minimise the losses on this account. But the fact is that the problem is more moral than administrative. Intimately connected with these issues is the question of lack of economy and efficiency in administration. These are common complaints. The difficulty is that there is hardly in existence any study which precisely points out the places of leakages and inefficiency. Moreover, the terms 'efficiency' and 'economy' act as standards which people apply. Naturally criteria regarding them differ with individuals and with the same individuals at different times. There are many studies on these subjects pertaining to Western countries but they may not be very useful except for comparative purposes. There is no doubt, however, that there is a lot waiting to be gained if the matter is properly pursued.<sup>9a</sup>

From all these we can, at best, hope for a maximum of 1,500 crores of rupees during the plan period. But much of it, even if it comes, will be absorbed on current Commitment and Maintenance account. We cannot use it for fresh investment. Prof. Anjaria, speaking at the Annual Conference of University Planning Forums, said that he did not expect more than a sum of Rs. 1,000 crores from this source over the Plan period and added further that this sum would perhaps be required for meeting current expenditure on the Plan. For all practical purposes, therefore, so far as fresh investment for the Third Plan is concerned, this huge extra tax effort of Rs. 200 crores per year is as good as nonexistent.

We are, therefore, by sheer logic, left with finding out other ways and means to break the vicious circle which surrounds the problem of resource mobilisation. This we can do by attempting to change the existing saving-investment pattern in the country. How can this be done? In a planned economy this is possible only by extending the activities of public sector in several directions in a number

9. The imposition of ceilings on land holdings will take away some of the benefits of this.

9a. For instance something like the Third Cohen Report on prices, productivity and incomes. This committee of the Three Wise Men consisted of Lord Cohen of Walmer, a lawyer, Sir Harold Howitt, an accountant, and Prof. E. Phelps Brown, an economist of L.S.E. The report was out this month, August, 1959.

of ways.<sup>10</sup> The pace of this expansion is a question of strategy in the context of political policy decisions, the desired rate of development and available administrative capacity. The expansion of such activities may be both direct and indirect ; direct, by assuming charge of economic activity and indirect, by widening and deepening the net of taxation and other fiscal and monetary measures. The price policy of public enterprise falls in both categories. It lies in the first category because it is direct state activity and in the second because a rise in price above cost has all the elements of an indirect tax.

### MOBILISATION OF RURAL RESOURCES

A fruitful approach may be to look for resources from the rural sector. Table No. 3 gives the general picture of yield from the rural sector as percentage of the national income. Table No. 4 gives a picture of Land Revenue per capita per acre.

Table No. 3

#### NATIONAL INCOME

1952-53 : Total : Rs. 10340 crores\*

Rural Sector	69.68%
Urban Sector	30.32%

1953-54 : Total : Rs. 11040 crores

Rural Sector	70.70%
Urban Sector	29.30%

1954-55 : Total : Rs. 10230 crores

Rural Sector	66.38%
Urban Sector	33.62%

1955-56 : Total : Rs. 10670 crores

Rural Sector	65.86%
Urban Sector	34.14%

1956-57 : Total : Rs. 12090 crores

Rural Sector	69.29%
Urban Sector	30.71%

10. Besides so many other things, this involves a broad extension of fiscal and monetary controls and pricing and distribution powers of the Government.

\* Totals at current prices.

Table No. 4

## LAND REVENUE PER CAPITA PER ACRE—1953-54

State	Agriculture population <sup>1</sup> (in lakhs)	Land under cultivation <sup>2</sup> (in lakhs of acres)	Per capita cultivated land (Acres)	Land revenue 1953-54 (R.E.) <sup>3</sup>	Per Capita land revenue (Rs.)	Per acre land revenue (Rs.)
Assam	65	73	1.13	178	2.75	2.42
Bihar	258	275	1.06	285	1.10	1.03
Bombay	188	479	2.54	678	3.60	1.42
Madhya Pradesh	118	334	2.82	442	3.74	1.33
Madras	266	405	1.52	745	2.80	1.84
Orissa	98	140	1.43	98	1.00	0.70
Punjab	71	140	1.97	155	2.18	1.11
Uttar Pradesh	433	428	0.99	1891	4.37	4.42
West Bengal	112	129	1.15	135	1.21	1.05
All Part A States	1609	2403	1.49	4607	2.86	1.92
Hyderabad	95	370	3.89	480	5.04	1.30
Madhya Bharat	49	126	2.58	322	6.58	2.55
Mysore	57	104	1.81	118	2.06	1.14
PEPSU	22	50	2.30	97	4.46	1.94
Saurashtra	18	44	2.45	274	15.45	6.30
Rajasthan	104	336	3.24	282	2.72	0.84
Travancore-Cochin	32	28	0.88	63	1.96	2.23
All Part B States	377	1058	2.81	1636	4.34	1.55

1. Number of people in agricultural livelihood classes excluding cultivating labourers & their dependents according to 1951 census.

2. Provisional estimate of area under cultivation (including current fallows) for 1950-51 as available from "Agricultural Situation in India."

3. Excludes miscellaneous receipts and portion of land revenue due to irrigation and includes rates and cesses on land. For Madras, the budget estimate for the composite State of Madras is given. For Mysore, portion of land revenue payable to local bodies is also included. —Taxation Enquiry Commission report, Vol I, chap. V, pp. 77-78.

From the tables above, it is clear that there is enough scope of resource mobilisation from this sector. How much we can get from this source depends not only on rates and coverage but whether or not ultimately it would be politically and administratively possible to have as much as we expect as economists. The economic limits may prove

to be far bigger than the politico-administrative limits.<sup>11</sup> Let us illustrate it with reference to proposals put forward in respect of tax efforts from the rural sector.

At the Annual meeting of University Planning Forums (in December 1958)<sup>12</sup> it was argued that an additional sum of Rs. 300 crores per annum *i.e.* (Rs. 1500 crores over the Plan period) could be had from the rural sector. This was supposed to be had by (a) doubling the land tax on holdings above five acres; (b) a tax on agricultural rent (deducted at the source) in such a manner that incidence-effects fall on rent receivers. (It was said that it could be fixed at 1/10th of the gross produce of the tenants), and (c) surcharge on holdings above five acres under commercial crops. In this respect care was taken to add that room should be left for adjustments for different kinds of crops. If only one were not concerned with the total arrived at thus, there could be little to dispute about. In the context of the fact that 40% of the rise in income in the urban areas has since 1952-53 flowed into the public exchequer and only 15% or so from the rural sector, it is apparent why an element of elasticity and progression should be brought about in agricultural taxation. In some quarters a system of purchase tax on commercial crops is also being talked about. The questions which immediately arise, however, are the following:

- (a) Have the political parties of the country courage to go to the peasantry with heavy demands for State purposes?
- (b) Is administration well organised to do the job of collecting these taxes? (Taxes on animals, like goats etc.) The recommendations of the Ford Foundation Team are that such taxes are essential for forcing the people to dispose of useless cattle.
- (c) Are records ready of commercial and non-commercial crops under cultivation? Can these records be swiftly changed if substitution of crops takes place?
- (d) How effectively can we deal with tax dodgers?
- (e) To what extent can we prevent losses on account of corrupt tax darogas who may enter into some kind of an agreement with the assessees?
- (f) If, suppose, the collection of these taxes is left in the hands of local bodies, are we sure of (c) and (d) above? More-

11. After all, we, as economists, must realise that the ultimate say in the matter lies outside the scope of our discipline. At the Ooty-seminar of the A.I.C.C. sub-committee on economic planning, a yield of Rs. 325 crores over the plan period was considered tentatively feasible. No firm decision has been taken thus far.

12. By Dr. K.N. Raj, Delhi University.

over, is it possible for us quickly to set up an adequate number of organisations for this purpose?

- (g) What positive system of incentives should be created to provide for raising agricultural output?
- (h) And above all, would the trouble be worthwhile economically?
- (i) What would happen if the expected total did not materialise? Do we have alternative methods in readiness? If so, what are they?

Once we put these questions, the theoretical soundness of this kind of an approach begins to be thin. For the course of 5 years, instead of a sum of Rs. 1500 crores, if we could have even half of it, we should congratulate ourselves. In this context one often comes across platitudinous references to public participation. Here is the kingpin of the whole issue. If administration goes to the people for raising revenue in a really big way (Tax on horses, say, Rs. 1/8 per head, goats -/8/- per head, cows Rs. 2/- per head, surcharges on land revenue on different slabs rising up to, say, 600 p.c. or more) without being sure not only of firm political support but also of prior and continuous conditioning and training of the emotional responses of the peasantry in favour of the plan, it will find itself in an intractable mess.<sup>13</sup>

The problems referred to above should not be construed as suggesting a do-nothing policy in this respect. This was by way of pointing out the likely difficulties. It may, perhaps, be advisable to proceed cautiously by phasing the tax proposals in this sector over the period of the plan in such a manner that people do not get the impression that they are being driven very fast or they are at the bottom of the press. Even a lower yield, say, an extra 550 crores of rupees

13. The controversy regarding the Plan has started with the discussion on the place and role of co-operative farming. This time there are indications of more heat being generated. Since both politically and economically a lot depends upon what happens in the agricultural sector, the controversy regarding co-operative farming is full of all kinds of possibilities. The danger is that ideological involvement and even personal jealousies among politicians may lead to the displacement of objective economic reasoning. The discussion may be carried on in such an emotional context that poor reason may find it difficult to guide decisions.

The issue regarding public vs. private enterprise will remain vital. But this time private enterprise may try to fight its way better under cover of support to persons opposing the idea of co-operative farming.\* Thus far private enterprise fought almost a lone battle. This time it may have a new ally. Moreover, in the previous plans opposition to public enterprise was more academic than real because the leaders of the private sector themselves recognised the usefulness and inevitability of State action for building up the infrastructure of the economy.

\* See Forum of Free Enterprise publications on it since the Nagpur Congress passed the resolution on co-operative farming and Shri V.P. Menon's article on the Swatantra Party headed by Shri C. Rajagopalachari. The Statesman—15th August, 1959.

in all, should be considered an achievement.<sup>14</sup> Perhaps, the Ooty Seminar projection of Rs. 325 crores is more realistic.

### Manpower :

While talking about the rural sector what naturally strikes is to examine the possibilities of manpower utilisation.<sup>15</sup> This technique of resource mobilisation for purposes of planning is the special contribution of Chinese planners who have shown that the existence of a large population in an underdeveloped economy suffering from resource scarcity, instead of being a slithering dead-weight, may be converted into the fly-wheel of progress. The limitations of democratic functioning notwithstanding, there is no reason why we could not mobilise this huge resource. Much depends upon the techniques of mass persuasion that we evolve. One method is to organise country-wise discussion on the Plan and a conscious adoption of policy to shed authority from the centre to functional centres.

This would require a change in the manner of the preparation of the Plan. The Third Plan should be divided in two broad categories—(a) National, and (b) Local. The first should be sub-divided into further groups, *viz.* (1) large-scale industries, (2) supply of infrastructural services *i.e.*, transport, communication, power, large irrigation projects etc., (3) aid and loans to agriculture and small-scale industries through State or other agencies, (4) welfare activities nationally undertaken, (5) trade and commercial activities. (6) price, credit and currency policies.

The Local Plan should be divided into three parts :—(1) State Plan, (2) Block Plan, and (3) Village Plan. The Village Plan should be drawn up at the village level in two groups : (a) schemes prepared by village panchayats and financed entirely by village resources ; (b) schemes in which the Block participates with the panchayat with money and know-how.

The responsibility for (3) will be that of the village panchayat and for (2) that of the Plan Executive Committee of the Block in which

14. Rs. 375 crores from surcharge on land revenue on holdings above 5 acres.

Rs. 40 crores on areas under commercial crops out of surcharge imposed after consideration of overall national policy requirements in respect of cotton, jute and sugar.

Rs. 75 crores profits from State Trading in foodgrains, if possible.

Rs. 60 crores tax on Live Stock excepting sheep, goat, pigs, donkeys and with a differentially lower rate on bullocks. A detailed description of the manner in which these figures have been arrived at forms another topic and therefore is not being given here. The author has prepared a separate note on resources in which the manner of arriving at the above figures has been described.

15. "Unlike China, we seem to have no capacity for mounting movements as distinguished from exhortative slogans, occasional bursts of enthusiasm and ephemeral campaigns." C.D. Deshmukh, The Statesman, 12 July, 1959.

each panchayat will be represented on some democratic basis. The Block will be, more or less, co-extensive with the Community Development Blocks assisted by a Secretary and a Financial Adviser appointed by State Government. Auditing of accounts at both levels will be done by Government auditors at Government cost. The Co-operative Services Society will supply such services to these units as lie within their jurisdiction.

The State Plan, besides showing the above schemes locally drawn up and approved by it finally, should be drawn up in two parts—(1) schemes entirely financed by State resources, and (2) schemes in which the Centre participates. For the first, the State should be responsible for execution and for the second agencies which may be entrusted to execute them.

The principal needs of agriculture are in respect of credit and irrigation available at such time and in such quantity as the cultivators need them. Priority of consideration, therefore, should be given to these. Grant of credit should be made on a yearly pay back basis with interest so that this fund ultimately acquires the nature of a revolving fund locally available. The only suitable agency for this is the co-operative. The initial advance of funds should come from the Reserve Bank of India. Additions to the fund could be made by floatation of village and block loans and advances from banks. Irrigation should be mainly financed through labour levy. The State should extend help in design making and in other matters requiring expert advice.

The above remarks are more suggestive than concrete and have been made here on the basis that it is high time problems were remitted to quarters to which they belonged for solution and thinking. This will generate the process of decentralisation.

There will be many mistakes here. But these mistakes should be counted towards costs of learning rather than wastes. Only avoidable wastes are dead losses in economics.

#### *Labour levy<sup>16</sup> :*

A flat levy of, say, two hours of free labour per month per working population, whether employed or unemployed, could be levied by the State by legislation. This contribution may be either in the form of labour or cash representing the value of labour. For instance, suppose there is a person who earns Rs. 1,000 a month.

16. Panchayats have already some such power. But it would be better to have a uniformity and a national approach.

His daily wage will be about Rs. 33.33 nPs. per day. Let us say he works for 6 hours a day. If suppose he prefers to pay in cash, he will contribute Rs. 11 per month. In a year it will amount to Rs. 132. In five years his contribution will be Rs. 660. It is quite easy of realisation in government and registered and non-registered private establishments. The real trouble will be in the rural sector. There the labour-intensive programmes (small irrigation, contour bunding, road making and construction of community assets etc.) may be left in the charge of panchayats or such local bodies. Financial assistance from the Centre or the States should be made conditional to the realisation of the levy in cash or kind as the case may be. There should not be much opposition from political parties because such a levy would follow from the logic of resource scarcity and the need for patriotic effort for speed in the developmental direction without any inflationary implications whatsoever. The contribution from this source will be sizeable. The number of persons in the different age groups between 1 to 54 was as follows in 1951:

Table No. 5

Age-group	Males	Females	Total
1- 4	17,939,286	17,907,518	35,846,804
5-14	44,702,897	41,988,861	86,691,758
15-24	30,671,972	30,052,335	60,724,307
25-34	27,874,703	26,632,987	54,507,690
35-44	22,031,938	19,528,364	41,560,302
45-54	15,718,686	13,898,327	29,617,013
<b>Total :</b>			
1-54	158,939,482	150,008,392	308,947,874

The total number of persons was 30 crores and odd. People between the age group of 1-4 have been included because many of them would come in the work force during the Third Plan period. Assuming that we can cover a little over 50 per cent of this figure, we have 16 crores of people.<sup>17</sup> As per our supposition every individual contributes only two hours in a month. This is not much to ask for. We have then a total demand of 24 hours per individual per annum. Multiplying it with the total we get  $16 \text{ crores} \times 24 = 384$  crores of hours. Now suppose that a working day consists of six hours and payment per day is at the average rate of Rs. 2 per day. Then we have Rs. 128 crores worth of labour for one year *i.e.*, over the

17. An upward figure has been taken because in the category 1-4 there may be an underestimation. 0-1 figures have been left out.

whole period of the plan Rs. 640 crores. The figures are on the low side and extremely tentative. They are meant to be illustrative only. Official circles do not like to take credit for this sum on grounds of uncertainty. I differ. Unless we take credit for it we will never begin in a serious way.

#### *National Savings and Life Insurance :*

We could think of extending the activities of the Life Insurance Corporation to the villages in gradual stages. The National Savings drive could also be deepened and widened in the rural areas. It is very difficult precisely to say what the yields may be from these sources. But taken together they should yield about 500 to 600 crores of rupees over the plan period.<sup>18</sup> These figures may be on the low side but they have been purposely kept so because the experience of the Second Plan in these respects has not been encouraging. It is unsafe to be very hopeful of market loans because a sizeable proportion of it will be taken by the private sector. This need not be regretted. After all, the national pool from which the state or the private sector takes is the same. All in all not more than 1000 to 1200 crores of rupees should be expected from these sources.

#### *Price Policy of Public Undertakings :*

There is the question of the manipulation of the pricing policy of public enterprises. Although this may be one of the most convenient points for the State to raise revenue from, it should be realised that it is one of the most sensitive points as well because a rise in price in this sector without reference to canons of economy and cost may lead to a general rise of prices. There are other weighty criticisms also. But, for purposes of this article, we are arguing that it is essential that they should earn profits so that the situation regarding the scarcity of resources may be eased. The two sources which generally attract attention in this respect are Rail and Road transport. The Masani Committee on Road transport (March 1959) indicated that there were 45,000 buses in the country. Buses and trucks compete with the railways. Any tax or surcharge that we levy on the one will have its reactions on the other. Therefore simultaneous taxation of both will have to be resorted to. In the lack of information regarding expected passenger and goods traffic during the Third Plan, expectations from this source would be anybody's guess. But even an addition of .25 nP per passenger and 1 nP per ton-mile should yield a considerable sum. Tentatively, we could

18. For lack of space, the manner of this calculation is not being given. There is something to be said in favour of Prize bonds as providing an inducement to save and invest.

place the extra yield at somewhere Rs. 413 crores of rupees per year.<sup>19</sup> From steel, fertiliser and other industries in the public sector not much should be expected, firstly, because the government itself is one of the biggest customers and secondly because many of them have yet to get over their teething troubles. The L.I.C., the Finance Corporations and the Post Office hold better prospects. All in all from public enterprises we could expect Rs. 413 + 500 crores = 913. This includes savings on import account of steel etc.

Efforts could be made for mobilising gold reserves in the country. It is very difficult to say anything regarding the possible yield from this source mainly because it is fraught with many difficulties. It is not easy to persuade women not to wear ornaments. Apart from emotion and tradition, there is the question of economic security in the event of difficulty. In a country where social services and social security measures are notoriously deficient, it is difficult to see how women would easily leave their love for gold. In the case of big hoards, perhaps, something could be said. In any case, it would be idle to expect anything significant from this source. There are many more feasible things which one can think of.

#### *Surcharge on Sale of Lands whose Value has increased due to Planning :*

In areas near industrial estates, irrigation sites, new sub-divisional towns, municipal areas, big cities, capital towns, old and new industrial areas, holiday resorts and railway stations etc., value of land has gone up fantastically. There is no reason why 60% of this increase should not go to the State. In fact, Henry George and his followers<sup>20</sup> widely propagated that this was one of the easiest methods for bringing about a socialist society. The increase in land value in the above cases is entirely due to community effort and, therefore, should go to the State. In some cases the State could straightaway acquire lands and sell them at remunerative price. If, however, this is considered to be an extreme measure, there should be no hesitation in imposing a surcharge to the extent of 60%. The administrative difficulties will not be many because the surcharge could be realised from persons who sold

19. This figure is based on the present statistics regarding bus and railway passengers and ton-miles done.

Passenger miles (in million) during 1956-57: according to statistical abstract	42,194.0
Expected increase of 10% by 1961:	4,219.4
Therefore total passenger miles	46,413.4
Net ton miles (millions)	40,225.0
Expected increase 10%	4,022.5

Total ton-miles: 44,247.5

Bus passenger miles (average of 61-66)	47,100.0
Goods traffic by road in ton miles (average of 61-66)	15,000.0

All passenger miles @ .25 nP and all ton miles @ 1 nP. Figures of five years have been calculated above.

20. Single Tax movement.

the land at the time of the registration of the sale deed. No figures are available with us regarding such sales at the moment of writing. But there is no doubt that gains to the exchequer from this source would run into millions during the Plan period.

There is something to be said in favour of Prof. Shenoy's idea regarding the sale of import licences to the highest bidders. The implications of this deserve examination. Export earnings could also be increased by various means. Apart from the traditional exports of raw materials, like jute goods, tea, etc., the sale of fancy cottage goods to the fashion conscious centres of the world, and finished engineering and electrical goods to the growing markets in Yugoslavia, the Middle East and South East Asia could be expanded further.<sup>21</sup>

#### CONCLUSIONS

(1) The problem of resource scarcity is not going to be a special phenomenon for the Third Plan. It will only be a continuation of the present.

(2) The determination of the contents of the Plan should precede overall target setting regarding the requirement of resources.

(3) The search for resources must proceed source-wise and in concrete terms.

(4) A few fresh taxes have been suggested.<sup>22</sup>

(5) While we should try to mobilise a total sum of Rs. 10,000 crores for the Third Plan, we must, simultaneously, go on trying to see whether a rise of 6 p.c. in national income that we are aiming at could not be achieved with a lesser amount. We can have it by various ways : for example: (a) intensive utilisation of available investment resources in such schemes as yield quick returns, (b) patience in respect of non-income-generating welfare measures, (c) increasing productivity per worker per man-hour, and (d) adopting a price policy that does not

21. Of utmost importance are the following considerations : (a) production cost should be decreased so that competitive power could be gained. This need not mean cutting wage rates; increased productive efficiency is the answer; (b) quality production should be stressed and assured, (c) deficiencies on account of the lack of dynamic outlook and the capacity to adapt swiftly to changing policy of rival producers should be made up as quickly as possible. The State Trading Corporation is not an adequate answer ; (d) consumption-imports must be ruthlessly curtailed, and (e) agriculture must yield at least 110 million tons of food.

22. Tentative totals are:—

	Maximum
1. New Taxation	1500
2. Land Revenue	550
3. Manpower	640
4. National Savings and L.I.C. etc. and market loans	1000
5. Rail and Road passenger and freight	913
 Total	 4603

The above is an approximation only.

allow consumption to increase above 4 or 5 p.c. over the plan period.

(6) Stress may be laid on surcharge on sale of lands and man-power utilisation.

(7) A whole set of simultaneous equations is required to be formulated so as to find out the inter-relationship of economic policies adopted. (Are all relevant data available?) Not only this, simultaneous adjustment of the administrative machine also must take place all along the line.

(8) Efforts must begin from now to evoke organised public participation in developmental effort. This can be done by making people work and pay for it. One prerequisite for spreading the net of discussion wide enough is that it should reach all work and thought centres. The results of these discussions should be given due consideration in the context of the overall picture.

(9) Planning should provide opportunities to people to become more construction-conscious. The community development programme missed the bus just here. The organisation of voluntary labour efforts, establishment of co-operatives, construction of community assets in the villages and activities of this sort differ fundamentally from activity in the large scale industrial sector. An altogether different kind of mind and type of organisation is needed. Administration, as it is organised now, is neither emotionally nor intellectually trained for this. We have so far relied on piecemeal *ad hoc* improvisation in this respect. This will simply not do.<sup>23</sup>

(10) People should, at no time, be given cause to feel that they are being driven to pre-determined destinations through an emotionally alien and incomprehensible power known as bureaucracy. Patronisation is no substitute for participation and helpless obedience is no substitute for willing co-operation. This requires a conscious policy of decentralised administration. The Community Development Administration has not succeeded very much in creating local leadership to replace officials. The panchayats, the co-operative services societies, the co-operative farms and other such functional local authorities, which may be created, must have both power and responsibility, for in the lack of these leadership can not thrive. These are essential requirements for publicly accountable and efficient conduct. Although action in this respect must be taken only gradually and in a cautious manner, authorities should not develop cold feet at a few cases of failure. These failures, if they are few in number, should be entered not on waste but on cost account for learning the job.

23. Administrative implications of a plan of the dimension of the third Plan will be many. They have not been spelled out here because the present article was only indirectly concerned with them.

# Government Enterprises - I

## **PUBLIC ENTERPRISES : PARLIAMENTARY CONTROL OR ACCOUNTABILITY ?\***

*David C. Potter*

**I**N an inaugural address to the Political Science Conference at Hyderabad in 1951, His Excellency Sardar K. M. Panikkar challenged Indian Political Scientists in the following manner :

We have to discover the nature and extent of popular authority over autonomous statutory bodies set up by the State to administer great enterprises started in the public interest but run on commercial principles. We have to consider and determine how far parliamentary control can be reconciled with efficiency in large scale enterprise which every modern State seems to undertake in some form or another. These are matters properly entitled to your serious consideration.<sup>1</sup>

The above challenge to political and administrative ingenuity, despite some recent thoughtful consideration and discussion, still remains to be met. The so-called "nub" of the Sardar's proposition turns on the nature and extent of the relationship between the "autonomous" enterprises and the popular authority as represented in the Indian Parliament. This relationship is one of accountability and/or control. The concepts of parliamentary control, the accountability of public enterprises to Parliament, and their autonomy, are mutually inter-related, but at the same time quite distinct from each other. Some writers and most parliamentarians find it an easy thing to use the terms accountability and control interchangeably. Strictly speaking, accountability involves receiving accounts, statistics and reports while control is a function of giving stimulus, guidance and restraint. Any confusion here tends to be confounded in that, as one writer correctly puts it, "accountability—the rendering of an account—necessarily involves some control if it is not to be an empty formality".<sup>2</sup> This is not a contradiction in terms if examined closely. The following assessment neatly sorts out the concept of control as coterminus with the definition of accountability :

\*Based on research, by the writer, undertaken at the I.I.P.A. for Master's thesis for the University of California (Berkeley).

1. K.M. Panikkar, "Inaugural Address to the Political Science Conference at Hyderabad, on December 27, 1951," *The Indian Journal of Political Science*, XIII (January-March, 1952), p. 14.

2. H.A. Clegg, *Industrial Democracy and Nationalization*. A study prepared for the Fabian Society (Oxford: Basil Blackwell, 1951), p. 41.

Parliament has an unlimited general power of control in that it can alter the law; but it has no specific power of control, as distinct from its right to receive an account. On the other hand, it has far more opportunity than a body of shareholders to express its views, its criticisms, its apprehensions, even its confidence and satisfaction if it should come to entertain these feelings; and it would be wrong to suppose that such expressions have no influence, merely because the sanction behind them is an unwieldy one.<sup>3</sup>

In terms of this definition, we can chart the theoretical "chain of command", so to speak, from the shareholders to the boards of directors of the public enterprises. The people are the shareholders and, in a democratic framework, the Members of Parliament are their representatives and reflect the will of their separate constituencies which, in sum, reflects the will of a country as a whole. The ultimate authority over the public enterprises is placed in the hands of the elected Members of Parliament. But Parliament is too big, too inexpert and too busy to successfully govern individual projects under its jurisdiction. It is the Ministers who have *specific* powers of *control* over the public enterprises and the degree to which the accountability of the enterprise to the people is successful rests on the degree to which the Ministers are accountable to the Members. The Minister controls, and is, in turn, accountable to Parliament which represents the people, the final authority.

The Minister should be able to control. In India, he does so. Executive control over corporations is formally established in much the same manner as is done in Britain. The proviso in the Air Corporations Act, 1953 [section 34(1)], is typical: "The Central Government may give to either of the Corporations directions as to the exercise and performance by the Corporation of its functions, and the Corporation shall be bound to give effect to any such directions." In point of fact, control over both public corporations and government companies is mainly exercised in informal ways. A former Minister of Finance quite frankly admitted, on the floor of the Lok Sabha, his informal financial control over the decisions of the boards of the public enterprises, in a surprising statement :

There is an act of self-abnegation here. However, certain patterns are being evolved and where for the sake of facility of administration or for the elimination of red tape, we invest that

3. Sir Jeffrey Vickers, "The Accountability of Nationalised Industry", *Public Administration*, XXX (Spring, 1952), p. 80.

body, may be a company or a corporation, with financial powers, certain precautions are taken. One precaution which is invariably taken is that the financial representative at a very high level is attached to that concern as a director. Now when he exercises his powers, *although it is not said so in so many words that everything shall be done with his concurrence, in practice that result is bound to follow*. Because, if he is overruled, well, then he can report the matter to the Ministry of Finance and the Minister of Finance can take up the matter with the corporation and move Government to make the necessary changes which will ensure that financial advice is taken.<sup>4</sup>

The convention in India at present is that the boards of directors of central government companies and public corporations are heavily laden with ministerial and Indian civil service appointees. The evidence here is clear. The Indian Institute of Public Administration's study on public enterprises in India gives names and titles of the members of the boards of directors of nine of the public corporations and 35 of the government companies.<sup>5</sup> Their study shows that the Ministry of Finance is represented on seven of the ten boards of directors of the public corporations.

Similarly, the Government of India is well represented on the nine corporations' boards examined. The same situation exists in respect of the boards of directors of the government companies with the Ministry of Finance represented by its senior officers in 30 of the more important companies in the public sector. What this means is that control by a minister over any important decision by the board of directors of a particular "autonomous" public enterprise in India is virtually absolute because the personnel in each case are largely one and the same. This would seem to violate the conception of "autonomy", and yet, the public corporations and government companies were set up largely with this premise in mind. The justification for maintaining this arrangement has been stated in most significant terms : "It is clearly not feasible to give a completely free hand to the management in view of the responsibility and accountability of the Minister to Parliament."<sup>6</sup>

4. C.D. Deshmukh made this statement during the course of the debate in the Lok Sabha on "Parliamentary Control of Public Corporations": House of the People, *Parliamentary Debates*, Part II, Vol. X (December 10, 1953), col. 1922. (Italics by the writer).

5. *Administrative Problems of State Enterprises in India*—Report of a Seminar, December, 1957 (New Delhi: Indian Institute of Public Administration, 1958), Appendixes IV and V.

6. Ministry of Finance, Department of Economic Affairs, *Office Memorandum No. F. 20 (79)—P/55*, (dated 13th March, 1957) as stated in Estimates Committee's, *Nineteenth Report* (Second Lok Sabha) (New Delhi : Lok Sabha Secretariat, 1958), p. 25, col. 4.

## II

Since the Minister controls the public enterprise, the enterprise, as well as the Minister in charge of it, should account to Parliament if they are to be "public" in the true spirit of the word. But also, in view of the definition of accountability, Parliament must retain the right to exercise *ultimate* control over the public enterprises if accountability is not to be an empty formality. It can be stated unequivocally that Parliament's constitutional right to pass statutory Acts, to amend statutory Acts and to pass Acts and/or amendments which apply to public enterprises assures its ultimate control over the enterprises. Every public corporation has been established by an Act of Parliament and every government company is regulated by the provisions of the Companies Act, 1956. Only Parliament is capable of amending these Acts. Legally, then, the ultimate authority over the public enterprises properly rests in the hands of the voting Members of Parliament. Once the public enterprises have been established by or have become subject to an Act of Parliament, it is essential, in lieu of the very meaning of accountability, that Parliament be continually cognizant of the working of the enterprises in order to be assured that they are acting in accordance with the provisions of the Act and in the interests of national policy. In short, if public enterprises are to be accountable to Parliament, Parliament must be continuously well-informed about them. For Parliament, any less would make accountability meaningless; any more would be a transgression of its proper role of authorizing policy rather than implementing it. It is with this in mind that the various methods by which Parliament holds a public enterprise and the Minister-in-charge accountable must be examined. It is on the basis of this that it is argued below that the accountability of Indian Public enterprises to Parliament is defective.

For it is clear that Members of Parliament are not well-informed about the public enterprises; the budget documents are a case in point. The Central Government is expected to spend over Rs. 500 crores in the Second Plan period on industrial enterprises in the public sector and the impact of this expenditure on the national economy is bound to be significant. It is both necessary and desirable for Parliament to debate the financial requirements of the public enterprises while approving the budget. Most government companies and public corporations are financed initially by money drawn against the Consolidated Fund of India. Parliament must sanction money from this fund.<sup>7</sup> The Comptroller & Auditor-General of India has declared that "when a new

7. *The Constitution of India* (as modified up to 1st April 1958), Articles 204 (3) and 266 (3).

company is to be formed, a demand for grant for its financial requirements is placed before the House, thus affording it an opportunity of discussing the investment and the form it is proposed to be made.”<sup>8</sup> Also, in referring to public corporations in India, the Joint Secretary of the Lok Sabha Secretariat has maintained that “the loans and investments made by Government are included in the budget of the State.”<sup>9</sup> On the other hand, the Estimates Committee has found that the annual budgets of the public enterprises, “with perhaps the solitary exception of D.V.C., are not made available to Parliament.”<sup>10</sup> Clearly, Parliament is responsible for the money lent to the undertaking and should have all the information relating to their working necessary to exercise that responsibility. The position at present, however, is that “the Explanatory Memoranda accompanying the Budget contain a statement showing the investment made in these bodies and that proposed to be made during the Budget year, and also contain the balance sheet and profit and loss accounts of some of the enterprises, but not all.”<sup>11</sup> For example, the Explanatory Memoranda for the 1958-59 Budget gave accounts for 17 enterprises although the number of enterprises at that time exceeded 45.<sup>12</sup> The inadequacy of the budget documents on the public enterprises has found expression in several recommendations by the Estimates Committee in their 20th Report :

Industrial Undertakings should prepare a performance and programme statement for the budget year together with the previous year's statement and it should be made available to the Parliament at the time of the annual budget.

These bodies might also be encouraged to prepare business-type budgets which would be of use to Parliament at the time of the budget discussions.

The latest accounts and balance sheets as well as the annual reports should be made available to Parliament at the same time.

The separate volume for each Ministry and Department, incorporating the budget and portions from the Explanatory Memoranda and Annual Reports, should also include a separate

8. Asok Chanda, *Indian Administration* (London: George Allen & Unwin, 1958), p. 199.

9. S.L. Shakdher, *Budgetary System in Various Countries*, (New Delhi : printed privately, 1957), p. 106.

10. Estimates Committee, *Twentieth Report*, (1958), p. 13.

11. Estimates Committee, *Loc. cit.*, p. 13.

12. Consult Government of India, *Explanatory Memorandum on a Budget of the Central Government for 1958-59* (as laid before Parliament), Appendix to Section III, pp. ii-clxxix.

chapter containing the above information and documents in respect of all undertakings which are related to the Ministry concerned.

It would be desirable to bring out a consolidated volume containing the documents mentioned above for all the statutory bodies and private limited companies of Government containing an appreciation of their working and their net result on the budget.

To facilitate the understanding of all the activities of the public enterprises it would be desirable that they should have a common financial year, namely the same as that of the Government.<sup>13</sup>

These recommendations serve to underscore the fact that the presentation and organization of data in connection with the Annual Budget of India are not conducive to informed debate on the public enterprises except by those few M.P.s who either already possess knowledge on the enterprises or who have developed an appetite for detailed study of them. The paucity of direct references to the public enterprises in the 1958-59 budget session supports this contention. For example, the six demands for grants in respect of the Ministry of Commerce and Industry were debated for over six hours.<sup>14</sup> This Ministry is responsible for 18 government companies, and yet, almost no mention was made of those companies. The reason is not far to seek. The budgets of these companies were not made available to parliamentarians. Indeed, the administrative report of the Ministry of Commerce and Industry was still under print when the demands for grants were debated.<sup>15</sup> One must conclude that the debate of the finances of the Indian public enterprises, at present, is deficient, due to lack of information.

Accounts and reports are the raw materials of accountability. Happily, every public enterprise in India is required by law to submit annual reports to Parliament. The government companies have recently been obliged to perform this function by virtue of Article 639(1) of the Companies Act, 1956, which states : "The Central Government shall cause an annual report on the working and affairs of each government company to be prepared and laid before both Houses of Parliament together with a copy of the audit report and comments upon, and supplement to, the audit report made by the Comptroller & Auditor-General of India". In like manner, each

13. Estimates Committee, *Loc. cit.*, p. 30.

14. *Lok Sabha Debates*, Vol. XIII (19 March 1958) cols. 5633-5758 ; *Ibid.*, cols. 5842-5986.

15. *Ibid.*, cols. 5634-5635.

statute establishing a public corporation in India contains a clause which requires that annual reports be submitted to Parliament.<sup>16</sup> An exhaustive survey reveals that, contrary to prevailing opinion, all the public corporations and all but one of the government companies are now forwarding annual reports or statements to Parliament.<sup>17</sup> All these reports are "laid on the table of the House" and copies, therefore, are available at the Publications Desk for scrutiny by Members. Few reports are discussed on the floor of the House. Interested Members may read them, though, and bring matters in connection with them before the House by asking parliamentary questions, by introducing motions and resolutions and while debating relevant bills. Quite recently, the reports have been placed in the Parliament Library within easy reach of even the most casual visitor.<sup>18</sup> And yet, the tendency is still for the reports to circulate closely within governmental circles and eventually to gather dust in the Parliament Library. Although the majority of them are printed, now, they are not, in most cases, on public sale. If accountability by means of budget documents suffers because of non-availability, submission of annual reports is limited in effectiveness due to lack of quality. The following assessment of annual reports by British nationalized industries would seem to have universal application :

The Board is quite consciously showing off its paces before the public, justifying its way in front of a highly critical audience. It has no intention whatever of revealing failures and inefficiencies; on the contrary, it is desperately anxious to cover them up. Things that have gone wrong are not mentioned, concealed behind vague, bromidic generalisations and ascribed to the impact of forces over which the industry concerned has no control. To say this is not to condemn the Report as worthless or the Board as hypocritical. All it means is that people who are attacked have a natural tendency to defend themselves. But it

16. Consult Air Corporations Act, 1953, section 37(2), Damodar Valley Corporation Act, 1948 (section 45(5), Employees State Insurance Act, 1948, (section 36), Agricultural Produce (Development and Warehousing) Corporation Act, 1956, section 42 (4), Life Insurance Corporation Act, 1956 (section 29), Industrial Finance Corporation Act, 1948 (as modified up to 1st April 1956), section 35(3), and the Rehabilitation Finance Administration Act, 1948 (section 18(2). The Reserve Bank of India Act, 1934 (as modified up to 1st November 1956) requires that reports and accounts be submitted to the Central Government [(section 52(2)] and they are published in the official Gazette weekly [(section 53(1)] and annually (section 53(2); the State Bank of India Act, 1955 requires essentially the same procedure under section 40.

17. There is no report from the National Instruments (Private) Ltd. in the Parliament Library. Cf. Parmanand Prasad, *Some Economic Problems of Public Enterprises in India* (Leiden: H.E. Stenfert Kroese N.V., 1957), p. 188 : "The Companies do not submit reports to Parliament ..."

18. The reports are now on one shelf in the same room as the card catalogue. The Library was moved in the fall of 1958 to more spacious quarters in what was formerly the precinct of the Indian Supreme Court.

implies that one can hardly expect an objective appraisal of the performance of a nationalised industry from its annual report, and it is unreasonable to look for one.<sup>19</sup>

The reports of the ministries are easily accessible and more widely used by parliamentarians. If the ministerial reports on the two airlines corporations are representative examples, then this avenue of accountability is unusually deficient.<sup>20</sup> For example four reports have essentially the same first sentence : "civil aviation in India continued to make steady progress during (1954-55) (1956-57), (registered good progress during 1955-56), (maintained steady progress during 1953-54)". The following uninformative paragraph in the 1957-58 Report is identical to one on page 25 of the Indian Airlines Corporations's 4th Annual Report of the previous year :

The Labour Relations Committee constituted under section 41 of the Air Corporations Act, 1953 held eight meetings during the period under review. The activities of the Committee proved helpful in promoting better understanding between the management and the employees and contributed toward the solution of a number of problems.

In the 1955-56 report there is no mention of the known fact that the Indian Airlines Corporation lost a substantial amount of money, although it sets down that the Air-India International Corporation made a nice profit. The 1956-57 Report does not even refer to the two important reports done by the Estimates Committee on the airlines corporations (Nos. 41 and 43). One periodical commented : "As the investigations carried out by the Estimates Committee during the period under review must be regarded as an event of vital importance to civil aviation in India, it is remarkable that the Minister has passed this civil aviation report for publication with such a glaring and obvious omission."<sup>21</sup> One final example shows gross carelessness in reporting. The following paragraph appears in the Ministry of Transport and Communications' Annual Report 1956-57 :

Two meetings of the Facilitation Committee, a committee for simplifying procedures and formalities with a view to facilitating air transport, established by the Civil Aviation Department were held during 1956-57. Representatives of

19. A.H. Hanson, "Report on the Reports : The Nationalised Industries, 1950-51," *Public Administration*, XXX (Summer, 1952), pp. 112-113.

20. The four reports which form the basis of this conclusion are the following : Ministry of Communications, *Report, 1954-55*; Ministry of Communications, *Report, 1955-56*; Ministry of Transport and Communications, *Report, 1956-57*; Ministry of Transport and Communications, *Report, 1957-58*.

21. *Indian Skyways* (July, 1957), p. 9.

foreign airlines, the A.I.I., the I.A.C., the Ministries of Communications, Finance (Revenue Department), Health and Transport and of the D.G. of C.A. participated in these meetings. Problems relating to health, immigration and customs clearance were discussed at the meetings with a view to simplifying the procedure and eliminating avoidable formalities.

If one merely changes the dates in the above paragraph from "1956-57 to 1957-58", one has the Ministry's comment on this committee for the next year. It need hardly be pointed out that at the time both these reports were published, the Ministry of Transport and the Ministry of Communications were not even in existence. They had been combined into a Ministry of Transport and Communications, as the titles of the reports clearly indicate. The standard of reporting in India badly needs improvement. For the present, accountability of Indian public enterprises to Parliament in this manner seems to be limited in effectiveness.

### III

In the absence of suitable information being provided, the natural and, in many ways, commendable reaction has been that parliamentarians have actively sought information through other channels—an activity which tends to encroach upon the "autonomy" of the public enterprises. The Question Hour is a case in point. Admittedly, a real effort is made to disallow questions which inquire into the day-to-day administration of the undertakings. A recent directive from the Speaker's office clarifies this position :

It is stated for the information of Members that broadly speaking, admissibility of questions relating to statutory corporations and limited companies in which Government have financial or controlling interest is regulated generally in the following manner on the merits of each case :

- (i) where a question (a) relates to a matter or policy or (b) refers to an act or omission of an act on the part of a Minister, or (c) raises a matter of public interest, although seemingly it may pertain to a matter of day-to-day administration or an individual case, it is ordinarily admitted for oral answer.
- (ii) A question which calls for information of statistical or descriptive nature is generally admitted as unstarred.
- (iii) Questions which clearly relate to day-to-day administration and tend to throw work on the ministries and the

corporations incommensurate with the result to be obtained therefore are normally disallowed.<sup>22</sup>

But although this sifting may take place in the Secretariat, no such effort in this direction is being attempted on the floor of the House. The supplementary questions probe deeply into the administration of the "autonomous" enterprises, even though the initial question may have been judged admissible and within the jurisdiction of the Minister to whom it was addressed. The Minister is completely within his right to refuse to answer supplementaries which inquire into matters which are the concern of the board of directors. Indeed, to answer such question is to accept by implication responsibility for decisions over which he does not have any specified control. It would not improve this situation if the Minister were advised to parry every supplementary which he considered to be beyond his responsibility, for such a course would serve only to heighten distrust on the part of the Members. On the other hand, it would be politically unrealistic to instruct Members to withhold questions which infringed on the "autonomy" of the public enterprises. The Speaker, however, is in a position to intervene during Question Hour and disallow supplementaries of this nature. He should be especially vigilant in this regard.

The actions of the financial committees of the Indian Parliament are even more glaring proof of the tendency on the part of parliamentarians to move from their proper role of receiving reports and accounts to one of attempting to stimulate, guide and restrain the "autonomous" enterprises. A random example from one of the reports of the Public Accounts Committee reveals this tendency. In examining the accounts of one government company (Indian Telephone Industries Ltd.) for the year 1950-51 in their Tenth Report (First Lok Sabha), the Committee found, among other things, that about Rs. 95 lakhs of public money had been spent indiscriminately on stock which was not being used. They argued that this showed lack of proper planning and foresight and recommended that disciplinary action be taken against the official at fault. And the Chairman of the Estimates Committee has quite proudly admitted that "while examining the undertakings...the Committee made no attempt to exclude any aspect of their working from its purview merely on considerations of their autonomy..."<sup>23</sup> The following analysis suggests the effectiveness of the Committee :

22. *Bulletin*, Part II (New Delhi : Lok Sabha Secretariat, November 18, 1958), pp. 1431-1432, para. 2005. The Speaker called attention to this directive during the course of a parliamentary question on the State Trading Corporations: *Lok Sabha Debates*, Second Series, Vol. X (September 17, 1958), cols. 6837-6838.

23. Balvantray Mehta, "Public Enterprises and Parliamentary Control", *The Indian Journal of Public Administration*, IV (April-June, 1958), p. 148.

Analysis of the Action taken by the Government of India on the Recommendations contained in four Reports of the Estimates Committee (First Lok Sabha) on the Public Enterprises

Results of Inquiry	13th Report	16th Report	22nd Report	27th Report
Total No. of recommendations made	50	23	30	40
Recommendations accepted fully by the Government—				
No.	20	6	9	13
% of total	40%	26.1%	30%	32½%
Recommendations accepted by the Government partly or with some modifications—				
No.	4	7	3	4
% of total	8%	30.4%	10%	10%
Recommendations not accepted by the Government but replies in respect of which have been accepted by the Committee—				
No.	18	..	6	4
% of total	36%	..	20%	10%
Recommendations not accepted by the Committee (including those which are still under consideration by the Government)—				
No.	8	10	12	19
% of total	16%	43.5%	40%	47%

We may conclude from the above data that over 30% of the recommendations, of the Committee, on public enterprises, have been generally accepted by the Government, that a substantial percentage of recommendations are not accepted, and therefore, most significantly, that there is real and continuous discussion and argument about the enterprises between the central Ministries and the Estimates Committee.

The recommendations contained in the Estimates Committee's reports vary between matters of general financial improvement and matters of detail. Two consecutive recommendations in one report tend to the extreme in each instance, but they serve to make the point :

In view of the general financial position of the (Nahan) Foundry, no large capital investment should be made so long as the new items of manufacture are in the experimental stage.

The rollers of the Sultan Cane Crusher should be made of a bigger diameter, as the size of the roller directly affects the crushing capacity.<sup>24</sup>

If this trend towards too much probing is not watched and restrained, the effective operation of the public enterprises, which are generally held to be "crucial" by the Indian Government, will be jeopardized.<sup>25</sup>

#### IV

With Parliament taking such a keen interest in certain enterprises, the tendency is that decision-making is bunched in the hands of the Minister, who retains it in order to authoritatively counter criticism. The heavy concentration of representatives of the ministries on the boards of directors is the clearest example of this situation. The failure to invest a large degree of autonomy in decision-making at the level of the board of directors defeats the very purposes for which the companies and corporations were designed. It is a dictum of human nature that men muster a defence when attacked. It is therefore understandable that ministers are reluctant to delegate responsibility when they are continually criticized for failure to effect detailed policy for which they are assumed to be responsible. To break this vicious circle will require statesmanship of the highest order, not merely on the part of the minister but equally on the part of the parliamentarian. For although both may be acting honourably to perform their functions as completely as the situation allows, the result of over-zealous performance of duty in this case is a concentration of decision-making at the top, an over-burdening of an already over-worked Government and a neglect of the lower echelons in the administrative hierarchy who ought, rightly, to make the great bulk of the decisions.<sup>26</sup>

Stepping further in this line of thought, the concentration of decision-making at the top results in proliferation of controls in the hands of the administrator and the legislator in order that each may

24. Estimates Committee, *Thirteenth Report* (First Lok Sabha), Appendix IV, p.42.

25. The term "crucial" in this context is present in the Second Five Year Plan. (p. 51).

26. Professor Paul Appleby has argued: "In number, at least 90 per cent of the decisions necessary to the conduct of a large enterprise would be made below the level of the Managing Director." See his report *Re-Examination of India's Administrative System with Special Reference to Administration of Government's Industrial and Commercial Enterprises*. (New Delhi : Cabinet Secretariat, 1956), p. 58.

strengthen its defence to carry on the "cold war" in New Delhi. This heightens distrust between the two, resulting in unnecessary effort to an unnecessary cause to which the parties concerned can ill-afford to devote their busy time-schedules. Perhaps most importantly, to divest the enterprises themselves of needed powers to carry on their business functions is to jeopardize dangerously their chances of success. The need to obtain prior permission for any action of consequence from persons obviously less involved in the daily functioning of specialized commercial and business concerns tends to paralyze business management attempting to succeed in a new and experimental field of business endeavour. The chances are that competent business personnel would seek employment elsewhere. India is short of this commodity. Yet Indian public policy demands rapid industrialisation which of necessity depends on a public sector to initiate key industries due to lack of private capital. I submit that the deficiency in the accountability relationship is one of the principal culprits in this *malaise*.

And it should be one of the easiest to eradicate. The accountability devices must be improved. Implementation of the Estimates Committee's recommendations (given above) would move smartly towards solving the deficiencies in the budget documents so that Members might appreciate both what the enterprises are doing and how they are doing it in order to understand their problems and authorize their financial requirements on the basis of accurate information. Annual reports by both the public enterprises and the ministries concerned can be written more attractively, objectively and comprehensively. They must be.

## V

There is a *vital* distinction between accountability and control vis-a-vis the "autonomous" public enterprises. The term "parliamentary control" is a misnomer, except in its ultimate sense. Control at this level is (or should be) like the blade at the top of the guillotine; it need *not* fall to be politically effective. However, Parliament *must* be openly accounted to in order that it may authorize policy so that, democratically, the Minister can implement it. By properly delineating the concepts of accountability to Parliament and of ministerial control, the tight knot which these relationships find themselves in at present might be loosened. In short, if the *accountability* to Parliament is improved along the lines suggested, the desire on the part of Members of Parliament to *control* will abate. Effort in this direction will also relieve the elements of distrust in these relationships. Distrust thrives in ignorance. To account properly is to inform confidently.

## THE TRAFFIC PROBLEM AND THE CITY GOVERNMENT

*Tejbir Khanna*

WITH the scientific achievements in every field and general economic progress of the country living standards are rising. The rising living standards are showing the increasing impact on transportation demands, both in urban and non-urban areas.

The rising transportation demands in urban areas are being met with added number of vehicles, both modern and slow type. Traffic volumes in urban areas are increasing so rapidly that even our present-day traffic requirements have far outstripped the existing facilities.

While gains to the public from motor vehicles are immeasurable losses due to traffic jams and accidents are already showing signs of outweighing them in urban areas of India, particularly in Bombay, Calcutta, and Delhi.

### THE PROBLEM IS GROWING WORSE

There are about 450,000 motor vehicles in India to which about 35,000 more are being added every year. The annual production of one million cycles is also showing its significance in the urban areas. Bullock-carts are being added at the estimated rate of about 200,000 to the already existing 9 million in India. A fairly high percentage of bullock-carts travelling to the urban areas for trade purposes further aggravate the road traffic problem in cities.

Road accident rate is high in India. There are about 70 deaths per ten thousand motor vehicles as compared to 16 and 8 in the U.K. and the U.S.A. respectively. Road accidents in urban areas are rising sharply. In Delhi, for instance, there have been about 70% more accidents in the year 1957 as compared to the year 1956.

The traffic problem, when viewed in the correct perspective, is already serious in urban areas of India.

*But this is only a foretaste of what is coming ahead.*

*The traffic problem itself is not new. What is new about it is its growing magnitude and significance.*

*The traffic problem is growing fast. What is not growing as fast is the awareness of the problem both on the part of the public and the government. But there is hardly any doubt regarding the interest of the public and government in improving the traffic conditions.*

As experienced in the western countries, the virus of traffic congestion and accidents which makes the road transport sick also undermines the entire urban area, causing disintegration of the city, diffusion of major tax sources and disruption of the whole municipal economics.

The ultimate measure of the importance of the traffic problem in a community must be in terms of their costs. The measurable costs of accidents, wrecked vehicles and other property damage, hospitalization, lost wages and earnings, higher insurance premiums, loss of business and tax revenue etc. are visible and serious. What is not so visible and is even more serious is the immeasurable costs of chain reaction from accident fatalities, crippling and suffering in terms of broken homes, bereaved parents, orphaned children and their impact on the community and city as a whole.

Improvement in traffic conditions would mean better living conditions and continued economic growth of cities which otherwise is not possible.

*The traffic problem affects every one in the city. It is no more an individual's problem. It is a problem of the community and of the city administration.*

City administration has to recognize now (i) that the traffic problem is one of the most critical problems facing the ever-growing urban areas of India; (ii) that the free flow of people and goods is essential to preserve the integrity of cities; (iii) that future wealth of cities depends upon the success in solving the ever-growing traffic problem; (iv) that corrective action must be taken at the local level by the city administration. Incidentally it may be mentioned here that very often the problem extends beyond the unrealistic political boundaries and is regional in scope. This is especially true in metropolitan areas where the central city must assume the leadership and work with other cities to develop an integrated and long-range plan for traffic improvements.

#### CASE OF DELHI AS A MODEL CITY

Now to see more clearly the problem and the desired solution Delhi traffic is discussed in the following few lines:

### *Traffic Conditions*

Traffic conditions in Delhi seem to be something out of "Alice in Wonderland" but not nearly half as funny. A short glance at Delhi traffic conditions reveals that—

1. All over the town parking practices are unsatisfactory.
2. Some city areas are very dirty and a contributory cause to congestion.
3. Sidewalks (for pedestrians) do not always exist and wherever they do exist they are occupied by hawkers, barbers, vehicles, refugee stalls. So pedestrians have never learnt to use sidewalks. As a matter of habit pedestrians use main roads even when it can be helped.
4. Construction and repair work on roads is carried out without prior planning of traffic routes. Traffic is put into difficulty by being forced to take long detours. Small repair work or road cleaning work carried on during peak flow hours (9 to 10.30 A.M. and 4.30 to 6.00 P.M.) cause congestion and accident danger.
5. At many spots obsolete design of road is apparent. Such spots can be improved at a cost quite nominal as compared to the returns they would bring in terms of relief in congestion and danger.
6. Road signs are not uniform in shape, size, height, colour etc. and also not well maintained. Some of the signs are covered with posters. Such installation and maintenance of road signs loses respect in the public eyes.
7. Road markings all over the town are extremely poor and need immediate attention.
8. Many motorists do not pay attention to signs and majority of pedestrians fail to observe traffic rules. There is a general lack of road sense on the part of all types of road users which makes the traffic conditions even worse.
9. Some roads are inadequate in their geometric design features with respect to the traffic volumes they have to carry. It is apparent that the existing roads were not designed and planned for the present or future traffic conditions. But even in the newly developed colonies like Patel Nagar and

Karol Bagh, the planning and layout of roads is poor from traffic safety and efficiency point of view.

10. Petrol pumps are located at wrong places, causing congestion to other traffic.
11. Cycle traffic of Delhi is on rapid increase and so are roads accidents between cycles and faster vehicles. There is a necessity of providing special express ways, or wherever that is not possible, planning traffic in a way that faster traffic do not use the roads with cycle rush during particular hours.
12. Road traffic accidents of Delhi are not being analysed or recorded scientifically. By scientific analyses of accidents and congestion spots preventive measures can be evolved.
13. Delhi traffic problem in the city area is no less serious than that in advanced cities of western countries. It is further aggravated due to mixed type of slow and fast traffic.
14. Octroi posts have poor practices of stopping and checking the heavy commercial vehicles right in the middle of the road.
15. Road lighting practices are poor.
16. Bullock-carts and cycles and other type of vehicles are hardly visible at night time on suburban roads. They should be required to carry light with them.
17. Loading and unloading zones are not designated properly and poor practices of loading and unloading create confusion on the road and hamper the flow of traffic.
18. Unrestricted size of bullock-carts with long steel bars and such types of load is a great traffic hazard.
19. Bullock-carts travelling in caravans cause great congestion in the city area, as it is not easy to overtake a caravan of bullock-carts by faster type of traffic.

#### *Contributory Causes*

There are several factors responsible for fast deteriorating traffic conditions of Delhi, such as :

1. Functional obsolescence of roads, *i.e.*, geometric features (visible dimensions) of the past are inadequate for the present and future traffic needs.
2. Prevalence of mixed type of traffic (*i.e.*, slow traffic, fast traffic and cycle traffic).

3. Rapid increase in Delhi's population and unplanned and uncontrolled expansion in the recent past and further inflow at the rate of 65,000 people per year from rural areas.
4. Increasing volumes of traffic of all types.
5. Lack of road sense on the part of road-users.
6. Absence of scientific personnel specially trained for the job *i.e.*, traffic problems.
7. And most of all, lack of realization of the seriousness of the problem on the part of both the public and the concerned authorities.

Traffic functions in Delhi cut across the established duties of various concerned departments, like the Central Public Works Department, New Delhi Municipal Committee, the Delhi Municipal Corporation, the Horticulture Department, the Traffic Police, the Roads Wing of the Union Transport Ministry, the State Motor Transport Controller, etc. The divided responsibility creates confusion and delay.

#### **A NEW APPROACH NECESSARY**

When a new problem arises effort is often made to meet it by fitting conveniently the requirement into some already existing arm of governmental organization where enlargement of staff and responsibilities may make it possible to meet the immediate need. But in case of the traffic problem any answer of this type would be extremely inadequate.

As the problem starts spelling headaches to the general public, study groups, commissions and experts are called upon for aid, suggestions and comfort. In response changes and innovation are brought about. But the pattern of such changes is usually stop-gap, short term and far from comprehensive in scope.

Various study groups, studying different segments of the traffic problem, seeking to curing traffic maladies through partial remedies, cannot provide salvation even though they may be doing full justice to their job.

There are several aspects of the problem which have to be dealt with simultaneously and scientifically. These aspects are : (i) Road Users, (ii) Roads, (iii) Vehicles, (iv) Traffic Laws, (v) Traffic Courts, (vi) Traffic Police, (vii) Public Education, and (viii) Accidents.

Now let us look at one aspect of the problem, *i.e.*, road users or the people. It has been well said that the greatest unexplored territory in this world is right under one's own head and the greatest problem in this world is man himself. It is particularly true in road traffic. In the main and for the long pull it is the people—the drivers, the pedestrians, the cyclists, animal-drawn vehicle operators and other types of road users, the officials and citizens, each one with his own interest and viewpoint, which constitute this aspect of the problem.

Basically and for long range much of our progress must come through affecting people, changing people and improving people by influencing their habits of behaviour. So what is primarily needed is greater and more sensitive public consciousness of the significance of the imponderable yet important part which traffic conditions play in the life of our citizens. This is the social aspect of the problem the solution of which is not so simple nor so obvious as we tend to think. Persistent and planned effort is required to meet this aspect of the problem—the details of which are not discussed here.

It is often said that if all road users behaved correctly at all times there would be no accidents other than those due to act of God or mechanical failure. This is another fallacy. Human nature is such that this standard of behaviour can never be achieved and placing undue stress on human error is just an easy way out.

We have to use other techniques to meet the gap between the desired behaviour and the behaviour that can be attained at any one time. This leads to other aspects of the problem the discussion of which is skipped here.

So when we look at the problem in detail and the specialized knowledge required to deal with the problem, it is clear to us all that the omnibus character of one single department handling several kinds of jobs was suited only for the horse and buggy age. This is not adequate any more.

There is a definite need of setting up a new organization to handle traffic problems in an integrated and well-planned manner. This organization—Traffic Administration—headed by a Traffic Administrator should be adequately financed and made responsible for all road traffic problems of Greater Delhi. This centralization of responsibility in the hands of the persons specially trained for the job can bring about considerable improvement in present traffic conditions and prevent many future traffic problems. In traffic, as in other areas

of public activity, the best techniques and plans will not effect satisfactory solutions without developing an adequate structure as a basis of co-operation in the existing administration.

While planning Traffic Administration it must be kept in mind that traffic function cuts across various interests both private and government. As traffic functions are so broad in interest and application, the Traffic Administration must participate in many co-operative activities. A strict objective of the Traffic Administration is to co-ordinate the many and indirect influences on traffic planning, construction, operation and at the same time require all appropriate departments and agencies to assume effective responsibility of traffic functions which fall within their framework.

The main functions of Traffic Administration should be : (1) Effective co-ordination and integration of traffic activities. (2) Effectively procure and disseminate information to the public regarding traffic problems, what authorities are doing to overcome those and how the public can help in that. (3) To replace 'hit or miss opinions', regarding traffic problem and its solutions, by facts and actual traffic data, concerning various traffic problems of the city. (4) Organize traffic safety propaganda and develop good public relations. (5) Study and present most traffic problems as public problems rather than individual problems. (6) Installation, operation and maintenance of traffic control devices such as signs, signals, markings, safety islands, etc. (7) Scientific investigation and analysis of road traffic accidents with a view to bringing about physical improvements of dangerous road traffic situations. (8) Carry out all types of traffic survey work. (9) Planning the flow of traffic in urban areas. (10) Control and regulation of traffic during special events like Republic Day Parade, visit of State Guests, etc. and thus avoid 'Tilpat Jams'. (11) Planning and designing the extension and new location of urban roads. (12) All other matters relating to traffic safety, regulations, engineering, education and administration.

Besides these functions for improving traffic conditions during peace time, the proposed Traffic Administration has a definite role in Civil defence to control : (a) normal local traffic, (b) panic traffic, (c) long distance traffic, (d) emergency military traffic. The functions of the Traffic Administration at the time of defence emergency would be (a) to establish a plan for curtailment and priority operation of traffic, (b) to select the system of streets for emergency vehicles, (c) advise and help the Government on all matters relating to traffic and transport.

From the recent past trends in traffic growth it is sufficiently and clearly demonstrated that the public are prepared to make most out of the road transportation. How close they come to full enjoyment and use of its potential depends mainly on the provision of proper facilities by the concerned authorities.

#### FINANCING THE TRAFFIC ADMINISTRATION

In an expanding economy like that of India source of funds presents one problem and their maximum profitable use presents another problem. In no other field can management show greater return for so little investment as in the field of road traffic.

With the increase in the number of vehicles and their use, revenue in the form of tax (registration, periodic taxation and fuel tax) is increasing. As the city becomes bigger in size and flourishes in business and in other importance, property value increases in the urban areas and so do the property taxes. Since growth of a town or a city has a direct impact on traffic it is justified if a reasonable percentage of property tax is diverted to finance the Traffic Administration. The percentage may be increased periodically, up to a certain maximum limit, as the city grows.

Statistics, in the U.S.A., have shown that more than half the vehicle-miles travelled every year are on urban roads. (More than 600 billion vehicle-miles are travelled on urban roads annually.) Statistics regarding the mileage travelled on urban roads are not available for India but there can be hardly any doubt that much more than half of total vehicle-miles travelled annually are on our urban roads because long distance travel in our country is much less common than it is in the U.S.A. This is true in spite of the fact that percentage of length of urban road to total road length including main highways is very small. So there is every reason that a fair percentage of vehicle taxes, fuel taxes and other taxes concerned with vehicle operation are diverted to finance the Traffic Administration which is most essential for direct benefit of urban traffic.

Revenues must balance costs, but costs must be supported by benefits to maintain public sanction and support. In considering the economic value, it must be realised that road transport differs from other general transportation systems in some aspects. Principally the vehicles are owned and often operated by beneficiaries. Some road revenues come from other sources than users. In road transport, private and public benefits go far beyond pure transportation benefits.

They apply to government, to road users, to the public and to property owners. Keeping this in view the Traffic Administration must be financed from all the concerned sources.

Business interests should be willing to give support as property value and business considerably depend on the traffic conditions.

Revenue from parking meters is another source for financing the Traffic Administration.

Fines collected from traffic offences should be diverted for this purpose.

It may further be added that a simple rupee standard cannot measure the savings in lives and limbs that are effected due to safer traffic conditions.

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“The administrator who loves his schemes is a nuisance. He will press them on Ministers in season and out of season, using all the professional skills which are meant to facilitate objectivity in such a way as to conceal from those he advises the subjectivity of his approach. The most serious responsibility of the administrator is to lay aside his preferences in favour of an objective assessment of the situation, not in terms of anything he may hold to be good but in terms of the game as it is played in Whitehall.”

—C. H. SISSON  
(in “*The Spirit of British Administration*”)

## CORRESPONDENCE

### RESEARCH IN PUBLIC ADMINISTRATION

The Editor,  
*I.J.P.A.*

Sir,

In his valuable contribution on "Potentials for Public-Administration Research in India" to the last issue of *Journal* (Vol. V, No. 2), *Prof. Phillips Bradley* has made a significant exposition of the potentialities of research in the field of public administration. Favouring an inter-disciplinary approach to both planning and conduct of research projects in public administration in India, he has suggested: (1) formation of a representative committee on research programming; (2) organization of periodic conferences on public-administration research; (3) institution of training courses for research in public administration, a broad outline of the training syllabus to be worked out by a small committee or conference of 'experts'.

I strongly support the above proposals of *Prof. Bradley*, though I differ with him in that the problem of public-administration research in India is not only one of the right perspective and programming but also of 'worth-while' projects, 'competent' personnel and 'correct' methodology.

Till now we have not been able to develop right perspective. True that the Indian Institute of Public Administration has by now completed some useful studies but these are mainly descriptive. *Prof. W.H. Morris-Jones* has in his review published in the last issue of *Public Administration* (Journal of the Royal Institute of Public Administration, London), pointed out that the articles of your esteemed *Journal* are largely concerned "with particular parts and aspects of the Indian administrative structure. ...The material is mainly descriptive and critical comment limited, but it is no doubt part of the anticipated outcome of the *Journal* that fresh critical thinking will be stimulated."<sup>1</sup> Here, may I add that it does not seem probable that the *Journal* will be able to secure valuable critical contributions unless research in public administration develops a step further.

For evolving the right perspective and direction of public-administration research in India it is essential that there should be set up immediately a high-level committee of experts drawn from all possible fields and disciplines—universities and other academic institutions, central, state and

local Governments, industrial organisations and voluntary bodies. The committee would obviously have broader objectives and wider functions than the existing Committee of Direction<sup>2</sup> set up by the *I.I.P.A.* for the limited purpose of directing descriptive studies of the *Institute*. It should be charged with the responsibility of drawing a blue-print outlining the objectives and programme of public-administration research to be followed during the next ten years or so, subject to such changes as might become necessary as the programme is implemented. Experienced senior civil servants should find an overwhelming representation on the committee, considering that not much is known outside the Government circles about how administration works and what makes it click. It is my considered opinion that without the guidance and administrative insights emerging from the valuable experience of senior administrators, an overall and balanced perspective of public-administration research can hardly be developed. Even among administrators it is well nigh impossible to discover one who knows all about Indian administration; there are many who know a good deal about a selected aspect but not the whole story of the working of the administrative process.

Within the framework of the

blue-print which the committee might bring out, provision may be made for the organisation of individual research projects on the basis of 'team approach' so much eulogized by Prof. Bradley. Public-administration research in India is still in its infancy. It is essential that each individual project is the result of group rather than individual thinking. Group discussion will not only help to clarify thinking but also stimulate ideas and extend the frontiers of vision and imagination which are so vital to any creative work. One does not know whether the studies so far brought out by the *Institute* are the result of an individual or group thinking and effort.

There is further a general feeling in some quarters that social science research in India is being carried out without taking full advantage of the latest techniques of analysis and research. In this connection the following observations made by the American Agricultural Production Team (sponsored by the Ford Foundation) in its Report on "India's Food Crisis and Steps to Meet It" are of special interest. "... there appears to be only limited use of experimental design in the research to date. ... Most studies make only limited use of controls. The setting up of theoretical frameworks, with more precise concept defin-

2. See, *Indian Institute of Public Administration and Indian School of Public Administration—Objects and Activities*, January 1959, p.24.

tions, would make it possible to do more rigorous research. There is always the temptation to collect some data on many things rather than to limit data collection mainly to those things that fit into a conceptual framework where interrelations can be controlled and tested. There should be more use of statistical techniques in the analysis. The generalizing of apparent differences without statistical tests, especially from small samples, is dangerous".<sup>3</sup>

The same Report also emphasises as follows the importance of well qualified and competent research personnel:

"Any members of the research programme, whatever their field, must have *research competence*. This assumes that, in addition to knowing their own field, they have some knowledge of statistics, and, equally important an understanding of rigorous research methodology... To strengthen research, particularly on food production problems, will require resources, and competent staff from many disciplines. The resources now available in the Programme Evaluation Organisation and other research groups should be more sharply focussed on evaluating programmes that are directly related to food production. ... Staff of re-

search organisations should include competent people from such fields as social-psychology, sociology, cultural anthropology, statistics, economics, political science and public administration. People competent in areas specifically involved in any programme being studied should be included in the research programme".<sup>4</sup>

From what I gather, public-administration research in India is still beating its wings hopelessly against the 'ivory tower' of Government. The knowledge and experience available in universities is limited to the periphery of administration—where the administration touches the fringe of politics—it has yet to extend itself to the 'core' of administration, to the nature and functioning of the administrative process in actual reality. Even the descriptive material on the functioning of Indian administration is extremely limited and not always authentic. Critical studies and contributions can emerge and flourish only when all the facts and facets of an administrative problem are known in the context of the overall administrative framework.

It is equally important to define and develop different 'perspectives' for administrative research and to make use of different 'models'.<sup>4</sup> But thinking

3. Report, Government of India, Ministry of Community Development and Co-operation, April 1959, pp. 243-44.

4. For an illuminating discussion of the various perspectives and models, please see Dwight Waldo, *Perspectives on Administration*, University of Alabama Press, 1956, chapters II, III and V. Also see, William J. Siffin, *Towards the Comparative Study of Public Administration*, Indiana University, 1957, chapter I.

Ministry of Food and Agriculture and

in these matters has not as yet even started in our country. As Woodrow Wilson pointed out as early as 1887, the "object of administrative study is to rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundations laid deep in stable principle".<sup>5</sup> But this object can hardly be realized in India unless we begin to study and analyse our administrative organization and practice and evolve concepts and models applicable to the Indian setting.

Effective public-administration research would require recruitment of qualified and competent personnel and their development and retention. It takes years of study and experience to turn a person into competent research worker and unless the terms are tempting it will be difficult to retain such personnel on a continuing basis. It is essential not only to pay them adequate salaries but also ensure security of tenure and incentive to good work in the form of promotion opportunities similar to those which have recently been sanctioned by the Central Government in regard to scientific and technical personnel, and conditions of work conducive to creative thinking.

The importance of research in public administration is far greater than what it appears to be on first sight. Without development of research the study of public administration is likely to remain at an elementary stage as today. Without study and research it would not be possible to evolve new patterns and methods of administration which are necessary to meet the requirements of developing economy and the socialist pattern of society. Research, therefore, should be not *one* of the many activities of the Indian Institute of Public Administration but its *chief* activity. Again, public-administration research should be planned in the proper perspective, directed on a high level and persistently pursued on the basis of a phased programme chalked out with due regard to the latest research techniques. Sometimes "good short-term results can be attained by methods that will produce long-term failure".<sup>6</sup> Let not this happen to public-administration research in India.

Yours faithfully,  
N.H. Athreya

Hyderabad,  
August 15, 1959.

5. Woodrow Wilson, "The Study of Administration" quoted in Dwight Waldo, *Ideas and Issues in Public Administration*—*A Book of Readings*, New York, McGraw Hill, 1953, p.91.

6. Carl Heyel, *Appraising Executive Performance*, New York, A.M.A., 1958, p.20.

## (I) RECENT TRENDS IN PUBLIC ADMINISTRATION IN INDIA

The trend towards the liberalisation of recruitment policies during recent years has been accompanied by an increasing emphasis on effective utilisation of the probationary period and strengthening of the in-service training programmes. The Government of India has recently reviewed the probation rules governing the various Central services and recommended to the central Ministries that instead of treating probation as a formality, the existing powers to discharge probationers should be "systematically and vigorously" used so that the necessity of dispensing with the services of the employee at later stages may arise only rarely. A probationer should be given an opportunity to work under more than one officer and reports on his work obtained from each one of the officers and considered by a board of senior officials. There should be a very careful assessment of the output, character and aptitude for the kind of work that has to be done in the service, before a probationer is confirmed. And only those persons "who possess qualities of mind and character needed in the particular service and the constructive outlook and human sympathy needed in the public services" generally should be confirmed.

In *Rajasthan*, the State Government has, in collaboration with the *Rajasthan University*, instituted a two-year "Junior Diploma Course in Secretarial and Business Training". For future recruitment to the Secretariat and the Government offices, preference will be given to those who

have successfully completed this Diploma Course. Government would guarantee employment as Lower Division Clerks to at least 150 candidates who will complete the Diploma Course in 1961. Those who come at the top may be employed directly as Upper Division Clerks.

\* \* \*

The functionalisation of service cadres has advanced a step further with the constitution of the Central Health Service on June 1. The Service comprises all medical personnel under central Ministries and Departments (except Railways and Defence), as also officers who on August 1, 1957, held duty posts under the Employees' State Insurance Corporation for which basic medical or public health qualifications have been prescribed.

A joint meeting of the State Education Secretaries and the Working Group on Education, held on June 29-30, recommended that a central pool of educational officers and administrators should be created to serve the States at their request.

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The Central Pay Commission is expected to submit its report by the end of August. In *Assam*, the Government has revised the pay-scales of the Sub-ordinate, Class II and Class I State Agricultural Services. The *Bombay Municipal Corporation* has, accepting the recommendations of its Wage Structure Committee, further increased the

basic grade for municipal workers belonging to the unskilled category, (which was increased from Rs. 35-1-40 to Rs. 35-1-45 with effect from 1st April, 1957) to Rs. 40-1-52-2-70. In line with this change, increases have also been given in some other grades. It is estimated that the revision of grades will cost the Corporation an additional expenditure of about one crore and ten lakhs of rupees per annum. The *Himachal Pradesh* Administration has announced increases in the pay-scales of the village level worker, the social education organiser, excise, taxation and co-operative sub-inspectors, forest rangers and guards, and naib Tahsildars.

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Increasing attention is being devoted to extending employees' benefits and facilities. The *Punjab* Government has brought the pension benefit for Class IV employees on par with that of Class I to Class III Services. The period of leave, in case of Class IV officials, who retired on or after April 1, 1957, will now also count towards pension. The *Punjab* Government has also plans for a cheap lunch for its employees when the office hours are changed to Winter timings. In *Mysore*, the Government has ordered that Class IV staff, who do not form a Division-wise cadre, should not normally be transferred outside the district in which they are initially posted to work in order to avoid their being put to hardship. The Government of *U.P.* has decided that transfers of gazetted officers of the State Government will in future be made only in the month of June so that they take charge of the new posts by July.

At the Centre, the Government has liberalised its policy in regard to acceptance of stipends and scholarships by Government servants for

purposes of study. The Government servants who are granted study leave will now be able to receive and retain, in addition to their leave salary, any scholarship or stipend that may be awarded to them by a government or non-government source.

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Following the lead given by the Centre, the *Rajasthan* Government has revised the *Rajasthan Civil Services (Classification, Control and Appeal) Rules* to introduce a distinction between the appointing authority and the disciplinary authority; to make specific provision regarding suspension; to add compulsory retirement on proportionate pension to the list of penalties; and to provide for revision by Appellate authority.

In *Andhra Pradesh*, the Government has decided that, except under very special circumstances to be recorded in writing by the enquiring officer, no pleader or agent should be allowed to appear either on behalf of Government or on behalf of the person charged before the officer who conducts the enquiry or before any officer to whom appeal might be preferred in disciplinary proceedings.

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There has been a manifest movement in recent months in the direction of administrative reorganization, both in matters of creation and re-organisation of departments and simplification of work procedures. In *Andhra Pradesh*, the State Government has decided to experiment with a simplified procedure in regard to specified references, from Heads of Departments to the Secretariat, pertaining to proposals relating to additional staff and service matters and disciplinary enquiries

in which final orders are to be passed by the Government. Under the simplified procedure the Head of a Department may, instead of sending letters or reports, send the concerned file bodily in the form of a U.O. reference to the Secretary of the Department concerned. (Such an experiment was initiated by the Government of U.P. in August 1957 but abandoned recently.) The Agricultural Department has been re-organized in *Assam*, and the Directorate of Technical Education in *Bombay*. A new Department of Minor Irrigation and a separate Inspectorate for Commercial Schools have also been set up in *Bombay*. A Board of Industrial and Mineral Resources has been constituted in *Madhya Pradesh*. *Mysore* Government has amalgamated its Public Health and Medical Departments, and re-organised its Industries and Commerce Department as well as the social education set-up. Efforts are being concentrated in *Rajasthan* on a drive for clearance of arrears, reduction of paper work and delegation of powers.

At the centre, the central O & M Division has completed its review of the O & M activities. Increasing emphasis is being placed on the need for securing economy through simplification of methods and procedures and avoiding of unnecessary expenditure. Instructions have been issued that all correspondence with the public should be in form of letters, couched in courteous words (and not in the form of a memorandum).

The Government of India proposes to replace the existing system of peons in personal attendance on officers or separately attached to sections by a messenger service system on the lines of one existing in Whitehall. Messengers will be pooled for convenient blocks and their work organised on a systematic

basis. The new system is being tried in the Ministry of Commerce and Industry, the Ministry of Defence and the Planning Commission.

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Important among the advisory or enquiry committees recently set up by the Government of India are: a committee on transport policy and co-ordination (with *Shri K.C. Neogy* as the chairman); a committee for demographic research; a committee on survey of health development (chairman: *Dr. A. Lakshmanaswamy Mudaliar*); a working group on co-operative farming, and a panel on agriculture (both by the Planning Commission). In *Assam*, a committee has been constituted to report on the separation of the Judiciary from the Executive; in *Bombay*, a working group on village and small scale industries has been set up; and in *Madhya Pradesh*, a working group on financial resources under the third Plan. *Madhya Pradesh* has also set up Departmental Standing Committees (each consisting of the Minister and the Deputy Minister, and about 15 members of the Legislative Assembly).

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The National Conference on Community Development which met at *Mysore* from July 24 to 27 resolved that the main emphasis of community development programme would hereafter be on increasing agricultural production and building up of people's institutions like panchayats and co-operatives. It also recommended that the job chart of the gram sevak should be so redefined as to lay stress on his role in regard to agriculture, including minor irrigation, animal husbandry and correlated subjects of co-operatives and panchayats. The Conference further made specific recommendations

about the respective roles of panchayats and village co-operatives in the implementation of the village programmes.

The Sixth Evaluation Report of the Programme Evaluation Organization of the Planning Commission on the Community Development Programme reveals that the recommendations of the Mehta Study Team on Community Projects and N.E.S. have been largely accepted by most States and almost all States have taken steps to vitalise the block committees and give greater authority to panchayats to plan and execute local programmes. The pilot projects for rural industries have not done badly, but they have hardly fulfilled their objective—"to act as laboratories for controlled observations to find possible solutions to problems that have come up in the field of cottage and small scale industries". The Report points out that the large industrial co-operative society is on an average five to seven times as large as the small society in terms of membership, area covered and share capital. The large societies have not reached the small cultivators more than the small. According to the Report, the issue is no longer a choice between the large and small co-operative societies, but what should be done to make the small society viable.

The Committee on Rural Education, appointed by the Union Ministry of Education in early 1958 under the chairmanship of *Shri B. Mukerji, I.C.S.*, Joint Secretary, Ministry of Community Development and Co-operation, has strongly advocated a change in the pattern of rural education to attune it to the farmers' requirements. It recommends that the standard of teaching and other facilities for the agricultural course at multi-purpose higher secondary schools should be directed towards

making the agriculturists' sons progressive farmers, train a variety of agricultural extension workers and enable persons to carry on research in agriculture. The Committee observes that the rural institutes cannot be developed on the lines of Land Grant Colleges of the U.S.A. Although there should be intimate relationship between the rural institute and the extension agency of the development blocks, there should be no attempt at collaboration in terms of sharing of executive responsibility concerning the programme of the block.

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As regards progress in the field of democratic decentralisation, nine States have enacted legislation or are in the process of doing so. In *Rajasthan*, the State Government has accepted the recommendations of the Committee appointed by it to devise ways and means for the re-organisation of village panchayats in order to enable them to bear the entire responsibility for planning and execution of development programmes under the scheme of democratic decentralisation which will come into force from October 3. In *Madhya Pradesh*, the 14-man Rural Local Self-Government Committee which was constituted by the Government in July 1957, under the chairmanship of *Shri Kashi Prasad Pande, M.L.A.*, has recommended a three-tier system of panchayats throughout the State—a Zila Panchayat at the district level, a Janapada Panchayat at the development block level (present or prospective), and a Village Panchayat at the village level for village-population about 1,000. The functions pertaining to education and public health should, it suggests, be taken up by the State Government while the functions falling within the purview of revenue administration should be entrusted

to the panchayats. The Janapada Panchayats should be entrusted with all the developmental work hitherto being done in the development blocks.

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The Study Team on Social Welfare and Welfare of Backward Classes, set up by the Committee on Plan Projects, Planning Commission, in May last year, with *Mrs. Renuka Ray*, M.P., as its leader, has in its report suggested that the Central Social Welfare Board should be constituted as a statutory autonomous body and that the executive responsibility for looking after the projects and for the administration of the grants-in-aid programmes should be delegated to the State Boards. Emphasising the importance of employing trained personnel in the different fields of welfare, the Team recommends the establishment of a cadre of social welfare personnel, with minimum standards of recruitment. The Team feels that within the normal community, the welfare of children, especially the children of lower income groups, should receive the first priority. It therefore suggests the setting up of a national commission for child welfare for improving the pattern of child welfare services and for drawing up an integrated national programme as part of the third Five-Year Plan. The Team has further emphasised that a mere multiplication of projects without regard for quality is harmful. Such multiplication may indicate progress in statistical terms without, however, maintaining the minimum standard of quality.

The Programme Evaluation Organization has, in its recent report on the evaluation of the working of the Welfare Extension Projects of the Central Social Welfare Board, pointed out that while the basic idea of

these projects is a sound one, the services rendered by the project personnel do not cover all the villages in a project. The benefits can be extended to all villages uniformly by reducing the number of the villages in the project, and increasing the service personnel and centres. The Report observes that there is a tendency just now to create autonomous agencies for different types of welfare work. To a very large extent, autonomous bodies tend to become little kingdoms. Like all social institutions they tend to perpetuate themselves with the result that their transformation and switch-over from one type of work to another, as the social situation changes, becomes impossible. All the welfare work which is being done by the State as well as the Central Government should be co-ordinated to avoid duplication, save money and make larger funds available for welfare work as a whole. Lastly, the non-official agencies which are called in or are instituted to help in welfare work should be really non-official and also completely non-political. It would be a great achievement if a tradition is built up so as to lift welfare work out of the sphere of party politics.

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A notable event in the field of public enterprises has been the report of the committee, presided over by *Shri V.K. Krishna Menon*, Union Minister for Defence, set up by the Congress Parliamentary Party, on the questions of efficiency and accountability of state enterprises in India. The Committee has recommended the constitution of a standing parliamentary committee to review the working of autonomous corporations; the members of this Committee to be elected in the same way as those of the Public Accounts

Committee and the Estimates Committee. The Krishna Menon Committee has also recommended that state enterprises should not enjoy any special privileges which are not available to private enterprises and they should also contribute to the national revenue by way of profits. The Committee is specially emphatic against the appointment of Secretaries or senior Government officers as chairmen or managing directors. It is also opposed to the appointment of Members of Parliament on the board of management, because "such membership, even if it carries no emoluments, carries much power and patronage". The Committee has further suggested that the chairmen and managing directors should, prior to their appointment, disclose to the Minister their assets and income-tax position, interest of any nature in an, commercial or business concern individual or family-wise, membership of any organisation or their relationship, direct or indirect, with business concerns even if such relationship is not gainful, and also whether any of their relations or dependents are employed in any business concerns, particularly foreign firms.

The State Government of *Mysore* has decided to constitute an Industrial Cadre for manning the posts like managing directors, general managers, secretaries, sales managers, purchase managers, personnel managers, etc. in the state industrial enterprises. The Cadre will consist of officers of three Grades: I. Rs. 800-1200; II. Rs. 550-860; and III. Rs. 250-600.

In *Kerala*, the scales of pay of the staff in state-owned industrial concerns have been revised. The revision increases salaries by 20% in general, involving an extra annual expenditure of Rs. 75,000. The Government has also decided to constitute an autonomous full-fledged commercial undertaking to take over the present nationalised transport in the State.

The Government of India has decided to award every year a shield and five certificates of honour to public undertakings on the basis of their achievements, as an incentive to industrial production in the public sector. Autonomous corporations undertaking actual production will be included among those competing for the certificates and the first recipient will also get a shield along with the certificate.

The Railways Administration has, in pursuance of the recommendations of the Railway Class IV Staff Promotion Committee, liberalised its promotion policy. In future no direct recruitment will be made to junior Class III posts, and to the higher grades in Class IV (except in certain special circumstances). The quota for departmental promotions to clerical posts in grades of Rs. 60-130 and Rs. 60-150 will be raised from 10 to 15%. Employees for whom there are no avenues of promotion at present would be transferred to other departments or higher grades would be created in their own departments. Grouping of posts so as to form larger units in order to avoid dead ends will also be attempted.

## (II) NEWS FROM ABROAD

In *Australia*, an increase of 15s. a week in the basic national wage for man and of 11s. 3d. for woman was granted by the Commonwealth Conciliation and Arbitration Com-

mission on June 5, with effect from the first pay period after June 11. The decision brought the Federal weekly basic wage to £A 14.3s. in *Sydney*; £A 14.2s. in *Hobart*; £A 13.16s.

in Perth; £A 13.15s. in Melbourne; £A 13.11s. in Adelaide and £12.18s. in Brisbane.

In the U.K., under the Pensions (Increase) Act, 1959, an increase ranging from 2 to 12% (varying with the date of pension) has been accorded to persons whose pensions began before April 1957.

The U.K. Select Committee on Nationalised Industries has, in its recent report on the British Air Corporations, found that the Minister of Transport and Civil Aviation's unofficial powers are formidable. The Committee asks if these formidable powers do not add up to "to a degree of control far in advance of

that envisaged by the statutes under which B.O.A.C. and B.E.A. were created and so lead to an undesirable diminution in the authority of the chairmen and boards of the corporations and in their feeling of responsibility". The Committee suggests that "when the Minister wishes, on grounds of national interest, to override the commercial judgement of a chairman, he should do so by a directive, which should be published".

The U.K. Postmaster-General has decided to set up a small committee to advise him on efficiency, courtesy and economy at the Post Office counter.

### (III) INSTITUTE NEWS

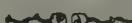
The Institute has agreed to make organisational arrangements on behalf of the Government of India, for the U.N. Seminar on "Management of Public Industrial Enterprises" to be held from the 1st to 11th December, 1959 at New Delhi. The Seminar is being organized by the United Nations Economic Commission for Asia and the Far East, the Office of Public Administration and the Bureau of Technical Assistance Operations of the U.N. It will be the second of its kind in the region.

The Annual General Meeting of the Bombay Regional Branch was held on June 13. It elected *Shri N.T. Mone*, I.C.S., Chief Secretary to the Government of Bombay, as the Chairman, *Shri N.S. Pardasani*, I.A.S., Deputy Secretary, Political and Services Department, Government of Bombay, as the Honorary Secretary and *Shri V.L. Gidwani*, I.C.S., Commissioner, Bombay Municipal Corporation, Bombay, as the Hono-

rary Treasurer of the Branch for the year 1959-60.

*Prof. Fred. W. Riggs*, Professor of Government and Public Administration, Indiana University, U.S.A., delivered a course of three lectures on "The Ecology of Public Administration—A Comparative Approach" on the 15th, 16th and 20th of July, 1959.

The Second Session of the Course for the Master's Diploma in Public Administration, at the Indian School of Public Administration, commenced on July 3. Ten students were admitted to the First Year and 22 students to the Second Year. This includes three officers deputed by the State Governments of Kerala, Madhya Pradesh and Mysore. Four scholarships and five tuition freeships (including hostel accommodation) have been awarded. Two senior scholarships have been awarded to junior teachers from Universities engaged in the teaching of Public Administration, who have been admitted to the Course.



## DIGEST OF REPORTS

*AUSTRALIA, REPORT OF THE COMMITTEE OF INQUIRY INTO PUBLIC SERVICE RECRUITMENT*, Canberra, Commonwealth Government Printer, 1958, 128p.

The Government of Australia appointed a Committee of Inquiry on September 3, 1957, under the chairmanship of Sir Richard Boyer, K.B.E., (Chairman, Australian Broadcasting Commission) to "inquire into and report to the Prime Minister on the recruitment processes and standards of the Public Service and to make recommendations for any changes which in the opinion of the Committee are necessary to ensure that recruitment is soundly based to meet present and future needs and efficiency of the Public Service at all levels".

The important observations and findings of the Committee, of interest, are as follows :—

### (I) THE BACKGROUND OF THE INQUIRY

1. The recruitment system in the Commonwealth Service is related to, though not entirely shaped by the division of the Service into four Divisions as laid down in the Public Service Act of 1922. The First Division contains fewer than 30 officers, almost all being permanent heads. The Second Division, containing about 330 officers, comprises all Chief Officers (including the heads of State branches of departments), about 60 Assistant Secretaries of departments, and a number of other senior executive and professional officers. The Third Division has nearly 30,000 permanent officers. These include about 20 Assistant Secretaries, the greater part of the clerical-executive and professional staff of the Service, some sub-

professional staff, and a considerable number of staff engaged on routine clerical and sub-clerical work. The Fourth Division contains about 60,000 permanent officers, including the greater part of the routine clerical and sub-clerical staff, technical and trades staff, manipulative staff, and partly skilled and unskilled staff. Distributed between the Third and Fourth Divisions there are over 17,000 temporary and 48,000 "exempt" employees. The main entry points to the Service are in the lower levels of the Third and Fourth Divisions respectively. About one-quarter of the annual intake of permanent officers to the Third Division has in recent years been by transfer or promotion from the Fourth Division, the remainder being from outside. The Fourth Division is wholly recruited from outside, though occasionally a re-organisation or a re-classification of positions may result in officers being transferred from the Third to the Fourth Division.

2. The general context of this inquiry can be stated in five propositions. *Firstly*, social conditions, Australian educational systems, and community attitudes to employment questions have greatly changed since the first Public Service Act was passed in 1902. *Secondly*, the functions of the Commonwealth government have expanded tremendously in scope and variety, particularly since the beginning of second World War, and this has been reflected in the growing size and diversity of occupations in the Commonwealth Service and in the greater importance

of higher administrative and policy-advising duties within it. *Thirdly*, although there have been many individual changes in recruitment methods, no general review of revision of recruitment principles and processes had (till the present inquiry) been undertaken since the Service was established. *Fourthly*, for various reasons of expediency in the past decade, some recruitment standards and processes have been allowed to fall below the levels of selectivity established in earlier years. *Finally*, expected increases in the younger age groups of the population, together with new developments in educational standards and opportunities, and the changes in social conditions and attitudes referred to above, should enable the Service to raise its standards of selection and, indeed, require it to adopt new and imaginative methods for some classes of recruitment that were not needed in the past.

## (II) RECRUITMENT STANDARDS AND PROCESSES

### (a) *Aims and Principles of Recruitment*

Aims and principles which, the Committee thinks, should characterise recruitments to the Public Service in the next twenty-five years are: attracting enough people of adequate quality to provide replacements for resigning and retiring staff in the many types of occupation throughout the Service; selection by open competition at the highest appropriate levels of the best available applicants for each occupation, and placing them appropriately; and training and developing a permanent staff for life-long career with promotions according to merit. The principle of a "career Service" should not, however, preclude the possibility of recruitment at higher levels from outside when the needs of the Service require it. "The standards of

the Service have been, and are likely to remain, prejudiced by too rigid an application of the principle of career Service. Even were this not so there is a widespread belief, which cannot help but harm prestige, that the public service is an unduly sheltered occupation...protection against outside competition should not be regarded as the prime attraction of any field of employment at a time when full employment seems assured and governments of all political complexities are committed to maintaining high and stable levels of economic activity. Indeed under such conditions we believe that the morale and self-respect of the Public Service would be greatly enhanced if it felt it were standing on its own feet by force of merit rather than by restriction of competition. Furthermore, if the canons of independent and impartial staff control are as well established as we believe them to be, public servants no longer have such good reasons as they had sixty years ago to fear that an extended power of recruitment from outside may be abused by excessive numbers of appointments or by appointments on political or personal grounds. There is considerable movement from the Public Service into private employment, and we think the Commonwealth Service would benefit if there could be opportunity for somewhat freer movement in the opposite direction when required, without prejudice to the legitimate rights of existing staff. We would justify this, not only by considerations of efficiency, but also by suggestions that equality of opportunity to enter government service on grounds of demonstrated merit is a legitimate right of all citizens which should not, in logic, be confined merely to entry at the bottom."

(2) (i) Since the time of the first World War the principle of recruitment by open competitive

examination has at various times been abrogated for certain classes of entry. It is no longer to be found in the Public Service Act itself. The Act mentions 'educational qualifications', and 'open examinations', but not competition... The basic principles of open competition for permanent appointment to the Commonwealth Service should be re-affirmed in the Public Service Act and maintained in recruitment practice and the minimum standards prescribed for appointment of permanent staff to the various base grades of the Service should not be relaxed merely in order to meet temporary exigencies. (ii) 'Academic' written examinations can no longer be accepted as entirely reliable tests of comparative fitness for the various kinds of careers in the Public Service. Techniques of non-'academic' vocational testing and interviewing, in conjunction with academic examinations, where appropriate, provide more precise and more reliable methods of selection than in the past. (iii) The principle of recruitment "from below", . . . should not be applied literally, in the sense of uniform recruitment to each Division at a single educational level, as it was in the early Commonwealth Service. There is need in the modern Service for initial recruitment of appropriate numbers from each level of the educational system, provided that this involves no infringement of the principle of equality of social and economic opportunity. . . . "Any system of differential recruitment at various educational levels must be accompanied by equality of opportunity within the Public Service after appointment. Those who enter with lower qualifications should be encouraged and helped to improve their qualifications after entry, and promotions throughout the Service to the highest ranks should remain accessible to all on the basis of merit, experience and

performance, and not on academic qualifications alone."

(b) *Attracting Suitable Applicants*

(1) The Service is not attracting as many candidates of sufficient quality as it should particularly for its professional and administrative appointments; such recruitment suffers in particular from the undeservedly low prestige of the Service as an institution, from public ignorance of its functions and the nature of the careers it offers, from the belief that seniority rather than merit still plays an undue part in promotions, and from an unimaginative approach to significant details such as the nomenclature of certain positions.

(2) Section 50(3) of the Public Service Act provides that for promotion, consideration must be given "first to the relative efficiency, and, in the event of equality of efficiency of two or more officers, then to the relative seniority, of officers available for promotion" . . . "It is fairly clear that, despite the intention of the Act, seniority played an undue part in promotions between the two world wars", but no statistical evidence is available on which to base a judgement on the practice in recent years. . . . "While seniority, as such, remains a statutory element in the determination of promotions, there will inevitably be a tendency even among the most conscientious officers concerned with the making of promotions, to give it undue weight". To ensure the primacy of merit, section 50(3) should be amended to provide that "in the selection of an officer for promotion under the provisions of this section, consideration shall be given only to the relative efficiency of officers available for promotion to the vacancies".

(3) A special information section should be set up in the Public

Service Board for producing regular brochures and, where necessary, press articles explaining the functions and national importance of the Service.

(c) *Recruitment for Higher Administration (to First and Second Divisions)*

(1) Under modern conditions of government, the widening of the gap between the average Minister's specialized knowledge and that of the elaborately educated and intricately trained official "places a great and difficult obligation on senior public servants, not merely to 'reach informed opinions on national policy' and 'express their conviction in the form of advice', but further, to make even greater efforts to explain to Ministers the reasons for their advice, and to make clear on every occasion, not only their own considered views, but also any alternative lines of action that might be tenable, so as to preserve as far as possible the popular representative's right to make an independent choice of his own policy. The real danger of modern bureaucracy is not so much that officials will consciously strive to 'arrogate to themselves the function of policy-making, as that they will unconsciously tend to take it for granted that their own conscientious deductions from the technical data represent the only logical and objective conclusions possible. This danger is greatest where, because of uneven levels of ability among its senior advisers, the government is forced to depend disproportionately on a few officials who are outstandingly able, but who necessarily represent a limited range of opinion and outlook'. The 'danger may best be avoided, or minimized, by so increasing the supply and range of outstanding talent in the Service that no particular individual or viewpoint can exercise

a pre-ponderating influence. A second conclusion...is to emphasize the importance of a liberal education, as well as sound specialized training, for public servants in higher administration".

(2) There should be a statutory obligation on the Government to consult the Public Service Board before making appointments or promotions in or to the First Division; any departure from the recommendation of the Board should be required to be notified to Parliament.

(3) There is no royal road to the development of a mature and effective administrator: (i) Able administrators may be produced by a variety of different careers in the Public Service, and any staffing authority would be unwise, and not merely undemocratic, if it confined its search for administrators to any particular stratum or section of the Service. What is desirable is that, however initially selected and in whatever field he may have worked, the person selected for higher administration should have the following qualifications and have had the following opportunities for development: "(a) Whether through formal higher education or by his own efforts, he should have proved himself to have a cultivated mind, able to view broad questions of public policy with a balanced perspective, and to distinguish the essential from the trivial in policy and administration. Naturally, a liberal education at a university, preferably under full-time conditions, is a straightforward means to this end. However, it is not the only means and not necessarily effective in all cases. (b) An administrator must also have certain personal qualities, particularly integrity, intelligence, the capacity for wise practical judgement, and the ability to lead and co-operate with other people. (c) It is most necessary that the officer's abilities

should not have been stultified by long occupation with routine or unduly specialized work. (d) It is equally desirable that he should have had varied experience in more than one branch of Public Service administration. Experience outside government may also be an advantage. (e) Experience and training in management and the control of organisations is necessary in some, but not all, higher administrative posts". (ii) While every effort should be made to recruit more of the best graduates from our universities, it would be unwise, in Australian conditions, to rely exclusively or mainly on graduate recruitment. A substantial proportion of able Australian school children who do not at present proceed directly to the university at all, if recruited to the Public Service, may well prove suitable for higher administrative work, especially if they are encouraged to complete their formal education after entry to the Service. (iii) "A high degree of specialisation in policy-advising work may justify the organization and distinctive recruitment of a separate class of two or three thousand officers, as in the British Administrative Class, but the number of positions so classified represents less than half of one per cent. In the Commonwealth Service, a similar class of corresponding proportions might contain perhaps 150 to 200 positions."... "As the work of the Service is at present organised, there are probably far fewer positions than this with a mainly policy-advising function, but many more in which some policy-advising work is mingled to varying degrees with managerial work." (iv) "The most important needs of the Service are for incentives to attract the highest talent and encourage self-improvement, for the identification and planned development of promising staff from an early stage, and for an organization to

provide better conditions for 'thinking ahead'. It seems inescapable that, apart from salaries and conditions and the general reputation of the Service, the only effective way of meeting these needs is for the administrative career within the Service to be more clearly defined than at present, in terms of a special class or division"..."This might be achieved with the least dislocation by a modification of the present Second Division, by extending it downwards through the classification scale, to a basic minimum level of, say, £1,533."..."The object of this change would be to include in the Second Division, in addition to its present complement of senior managerial, policy-advising and professional positions, all intermediate positions that might form part of an administrative career, and, at the bottom, a 'Second Division Training Grade' extending from £1,533 to £1,723 (without basic wage adjustment), containing positions suitable for administrative training, with a range of increments extending over three or four years." The re-modelled Second Division would be a less radical and more flexible measure than introducing an "administrative class" on British lines.

(4) (i) The Second Division, in its proposed form, should be recruited at the base by planned annual intake to positions in training through a common examination (open to persons outside the Service and to persons in other Divisions) similar to Method II for recruitment to the British Administrative Class. (ii) "The Public Service Board should appoint a committee of persons familiar with modern testing techniques to frame and administer a group of tests appropriate to Commonwealth conditions. The committee should include academic as well as public service specialists of high standing."

(5) (i) "Process of promotion is subject to weaknesses in the classification system, to restrictions by way of appeals, and to an element of chance which is due to the lack of suitable and systematic means for identifying talent wherever it may be, and arriving at a comparative assessment of the performance and potentialities of officers". (ii) The potentiality factor should be considered in all promotions in or to the proposed extended Second Division, instead of only for certain prescribed positions, as at present.

(6) A small committee should be set up by the Board to advise and assist it on all matters affecting administrative recruitment and development.

(7) No uniform or regular system of reporting on the work and progress of officers is in use throughout the Commonwealth Service, although two or three departments have instituted systems of their own. The Public Service Board should establish a system of staff reporting, at first in the training grade, as an integral part of the proposed reform of the Second Division, and that experience with this should be used as a guide in extending staff reporting to other Divisions of the Service.

(d) *Recruitment to the Third Division*

(1) For base-grade recruitment by examination to the clerical-executive careers in the Third Division, examination below the standard of the (School) Leaving Certificate should be abolished and the Leaving Certificate or its equivalent should be prescribed as the minimum qualifying standard, competitive selection being made by means of a special new test of the aptitudes of candidates for clerical-executive work with a uniform age limit of 25 years (to be known as the P.S.S. Test).

(2) Section 36A of the Public Service Act, providing for the recruit-

ment without examination of graduates of Australian universities to the base grade of the Third Division, should be amended to remove the hampering restrictions contained therein and to enable graduate recruits to be appointed to positions of appropriate character and salary. At present entrants to professional careers in the Third Division are recruited to positions in the base grade under Section 47 of the Act, which was intended only for exceptional outside appointments to the higher grades of the Service. In future, all recruitment without written examination to Third Division base-grade positions, requiring a degree or diploma or other qualification at the tertiary level, should be made under a new section 36A, without any age limits and without any arbitrary quota, at differential salary rates appropriate to qualifications, on the basis of the candidate's academic or professional qualifications, supplemented by an interview.

(3) In order to raise the standards of the transfer examinations to the minimum level recommended for outside entry to the Division and to apply the general principle of open competition to such recruitment so far as possible: (a) the Fourth Division officers who have or attain the Leaving Certificate should be eligible for transfer to the Third Division on achieving a satisfactory result in the P.S.S. Test; (b) an alternative means to enable mature officers with practical experience in the Fourth Division to qualify for transfer to the Third should be continued by means of a revised form of the present "Insiders' Clerical Examination", the standard of this examination should be raised to approximately that of the Leaving Certificate and its syllabus should be more closely related than at present to the skills and knowledge relevant to clerical work and

candidates for the examination should also be required to sit for the P.S.S. Test; and (c) single order or merit list should be established both for the departmental and outside candidates on the basis of their performance in the P.S.S. Test.

(e) *Recruitment to the Fourth Division*

(1) The present recruitment structure of the Service provides no regular means of entry for young people (as distinct from ex-service-men) with qualifications of a standard between the Leaving Certificate level and that of the primary school. At least one suitable and clearly-defined career could be provided for young people with the Intermediate Certificate, by extending the present Fourth Division Clerical Assistant grades to include much of the routine clerical and sub-clerical work now classified in the Third Division. The educational standard for entry to the lowest Clerical Assistant grades should be raised from its present rudimentary level.

(2) Section 39 of the Public Service Act (Fourth Division appointments without examination) should be used as sparingly as possible; the Board should be statutorily required to notify from time to time the classes of positions to which the section is being applied. All recruitment of typists and similar staff should revert to educational examinations (together with tests of skill and aptitude) as soon as possible.

(f) *Lateral Recruitment to the Third and Higher Divisions*

Section 47 of the Public Service Act, which provides for recruitment without examination in special cases of persons not otherwise eligible for appointment, while used freely for professional recruitment, seems in practice to be too restrictive to allow

of strengthening the clerical-administrative ranks by outside recruitment when required. It should be amended to empower the Permanent Head of Department to invite applications, through a Gazette notification, both from outsiders and departmental candidates if at any time it appears to him that there is no officer in the Department suitable for promotion or transfer to a specified office in a Division other than the Fourth Division; the relative merit of the departmental vis-a-vis outside candidates to be assessed by a selection committee. A new section 47B should be inserted, which can be brought into force for a limited period when it is necessary to recruit small groups of suitably qualified people for in-service training for some new or extended class of more or less specialized positions.

(g) *Special Categories of Employment*

(1) Sub-section (1) of section 49 of the Public Service Act prohibits the employment of an already married woman either permanently or temporarily, unless the Board allows; sub-section (2) provides that every female officer shall be deemed to have retired from the Service upon her marriage unless the Board certifies that there are special circumstances which make her employment desirable. When the Service is short of qualified people, even the small proportionate losses entailed by the present restrictions on employment of married women are scarcely justifiable. Sub-sections (1) and (2) of section 49 should be repealed.

(2) Medical standards should be redefined to facilitate the employment of physically handicapped persons who are otherwise suitable.

(3) The proportion of temporary and exempt positions in the Service should be reduced by increasing the

proportion of permanent to temporary positions in departmental establishments, by assisting temporary employees to qualify at the proper standards for permanent employment and by including them in staff training programmes particularly where their work brings them in contact with the public.

*(h) Probation and Placement*

(1) New appointees should be interviewed in conjunction with departmental representatives in order to determine their appropriate allocation to departments; and departments should be required to provide the Board's Inspectors with detailed job descriptions of vacant positions.

(2) The Public Service Board should ensure that departments make every effort to place the probationer appropriately, to watch carefully his period of induction, to assess him critically, and to inform the Board promptly in cases of misfit.

**(III) THE ADMINISTRATION OF RECRUITMENT**

(1) (i) The statutory function of the Board in the recruitment field has always been primarily to act as an independent central authority maintaining uniform standards and processes in the matter of recruitment throughout the Public Service... In addition the Board is charged with the duty of devising means for effecting economies and promoting efficiency in the management and working of departments, and of exercising "a critical oversight of the activities, and the methods of conducting the business of each Department..." (ii) The Board has sought adjustment to the changes in the size and complexity of the Commonwealth Service by encouraging departments to set up their own

organisation and methods and training sections and by delegating to the largest department, the Post Office, the conduct of some recruitment and promotion examinations... The Board might examine the possibility of granting further delegations in the Postmaster-General's Department and other departments to conduct appointment, transfer or advancement examinations for categories of staff peculiar to the one department.

(2) The present and future need is for a more positive emphasis on freeing the Board, and equipping it with adequate staff and finance, to develop an active and imaginative recruitment programme aimed at higher quality and more discriminating selection of staff, and not merely at preventing abuses and excluding the obviously unfit.

(3) The Public Service Board should make its staff records as complete as possible; strengthen its Research Section by additional specialist staff; and take appropriate steps to afford its senior officer more time for the planning of recruitment and general staffing policy.

(4) The Board should expand the specialist staff of its examinations section, promote the study of new techniques of examination and selection, and establish and maintain closer contacts with appropriate bodies outside the Service which are concerned with research and educational developments relevant to Commonwealth Service recruitment.

(5) It is necessary that in future the development and results of recruitment legislation and policies, and of other aspects of Public Service staffing, should be reviewed as a whole at more or less regular intervals of not more than ten years by persons not immersed in the day-to-day administration of the system.

## BOOK REVIEWS

*THE CHANGING CONCEPT OF CITIZENSHIP*—A Study of the Principles of Civics and Politics ; By GURMUKH NIHAL SINGH, Calcutta, Orient Longmans, 1958, xi, 318p., Rs. 6.75.

This is a textbook on Civics written specially to meet the requirements of pupils in Higher Secondary Schools who under the new regulations have to answer a paper on it at the Public Examination. But it is so written that it can satisfy admirably the needs of any citizen who wants to acquire an intelligent understanding of his place in society and of his rights and responsibilities in the modern democratic state. The concept of citizenship is much more comprehensive today than in the previous ages. It carries with it more rights—political as well as civil—and more duties. This point is emphasized by the author. His approach is sociological and not merely political as is the case with many other writers on the subject. Society consists of many associations and the state is only one of them—though the most important and the most powerful. The citizen belongs to these associations—like the family, the church etc.—as well as to the state. This point is clearly brought out and there is a lucid account of all associations, Communities and Institutions both from the historical and the analytical standpoints. The views expressed on family, marriage, caste, and reli-

gion—about which ideas have been undergoing revolutionary changes in modern times—are well balanced. There is a comprehensive study of the State, its origin and purpose, its organisation, and the role of public opinion and political parties in it and it contains an adequate discussion of several controversial issues like bicameralism, party government, democracy and dictatorship. This part of the book can serve as an admirable introduction to a knowledge of political science. A citizen today is in a sense a member of the World Community and the chapter “Towards a World Order” which traces the evolution of International Organisation and the successes and failures of the League of Nations and the U.N.O. explains lucidly the implications of this membership. The chapter on “Citizenship: Good and Deficient” throws fresh light on the ideal of citizenship and on why many of us in our life fall short of the ideal. Shri Gurmukh Nihal Singh is one of India’s outstanding writers on Political Science and this book of his bears on every page of it evidence of his vast learning and of his equally vast experience in the conduct of public affairs.

—M. Venkatarangaiya

*THE WELFARE STATE IN NEW ZEALAND*; By J.B. CONDLIFFE, London, George Allen and Unwin Ltd., 1959, 396p., 35/-.

Since the end of the second world war the concept of welfare state has been growing increasingly popular all over the world. This is partly due to the tug of war between the two rival ideologies, namely, capitalism

and communism and partly due to the growth of new humanist movement. In the ideological conflict, welfare state presents its claim for acceptance by pointing to a proper blend in it of welfare with freedom.

The new humanist movement is a product of and reaction to the phenomena of preventible poverty amidst plenty. While ideological and economic forces contributed to the concept of welfare state, its realisation in practice would have been hampered without the development of appropriate techniques in public finance and administration. Wherever these four factors, namely, ideology, affluence, financial and administrative techniques have developed, welfare state has become an established fact. New Zealand occupies a proud place in the family of welfare states in the world. The reasons for this phenomena are not far to seek. It is a small but well administered country. The conflict between the colonizing whites and the native Maoris is resolved by assimilation or friendly co-existence. Its economy, based on sheep-raising and dairying and supplemented by secondary industries, has enabled the people to cross the barrier of poverty. The grinding pressures of the long depression of 1880 initiated a programme of social legislation that attracted worldwide attention. New Zealand is one of the earliest countries to develop a regulated pattern of economic organisation and a comprehensive system of social security.

The present book is mainly concerned with measuring and documenting the developments between 1935 and 1957. The book deals with much broader fields and aspects than are indicated normally by the title of the book. Of the eight chapters in the book, the first six deal with such economic aspects as 'The Impact of Depression', 'Planned Insulation', 'The Structure of Economy', 'Borrowing for Development', 'The Economic Functions of Government' and 'State Regulation of Wages'. These chapters occupy 279 pages out of 363 leaving appendices. Chapter seven entitled 'The

Social Welfare State' covers 44 pages and the balance is occupied by the last chapter 'New Zealand in the World'.

The broad canvas on which the welfare state is painted has its own merits, it describes the philosophy of the Labour Party's programme which was "to insulate the national economy from external fluctuations in the export markets, and upon the basis of a stabilised national income to achieve simultaneously three major objectives—stability of domestic prices, social security and income redistribution, and national development". The chapter on 'The Economic Functions of Government' discusses the close relationship between the economic and social policies of the welfare state. The following paragraph (on page 207) gives some idea of this relationship : "The Welfare State accepts responsibility for individual as well as community welfare". "Its business ...is to direct, watch, stimulate and restrain, and only incidentally to operate". "It stands ready to care for (and direct) not only the weak but all members of the community. It does so primarily by expenditures and controls designed to maintain full employment. It also provides services such as hospital and medical care for every one. Sometimes it must take over or supplement existing enterprises such as housing construction, or create new ones. Monetary payments are made to dependent groups—the young and the old, widows and orphans, the sick and the unemployed. Such payments come from the taxpayer and to some extent from credit creation. The Government therefore exercises a powerful influence on the economy through its taxing and spending, and also through its control of credit and money."

The chapter on 'The Social Welfare State' deals with a number of

important aspects, such as, the background of law dealing with delinquents, criminals etc., feminine influence;—"Much of the burden of the social welfare state is carried by women"—from charitable aid to social security benefits; socialised medicine, housing and the level of living.

The book is thoroughly documented and well written but one feels that it is a one-sided presentation. While the economic background is useful, the socio-psychological aspects of welfare state also

deserve closer attention. A chapter on the cultural adaptation and living conditions of the Maoris would have been of great value. The regulated socio-economic experiments in the insulated island state of New Zealand are good examples of what can be achieved by the State towards the freedom and welfare of the citizen but it is doubtful whether these experiences can be utilised and if so to what extent, in States with bigger size and more complex socio-economic phenomena.

—V. Jagannadham

*THE JOB OF THE FEDERAL EXECUTIVE;* BY MARVER H. BERNSTEIN, Washington, D.C., Brookings, 1958, viii, 241p., \$3.50.

This is a valuable addition to the studies of the Federal Civil Service in the U.S.A. published by the Brookings Institution. The last study which was brought out by the Institution, entitled "Executives for Government", dealt with the basic issues of recruiting, developing and retaining higher administrative personnel, both political and non-political, in the federal government. The emphasis of that study was mainly on staffing practices and patterns for ensuring a sufficient supply of competent executives. The present study, on the other hand, concentrates primarily on the nature, dimension and content of the job of the federal executive and the political, constitutional and administrative setting of the job. It is mainly a record of the comments and statements (some of which are quoted verbatim) made by a group of 24 distinguished federal executives and some others at a Round Table conference convened by the Brookings Institution in 1957—comments and statements related to personal experience on the job, personal triumphs and failures, relations with other officials and agencies, Congress and interested groups.

A full chapter deals with the job of the political executive and a second with the job of the career executive. The job of the political executive (political executives in federal government number about 1,100) is a composite of tasks which include 'commanding' departments and agencies, developing policies and programmes and defending these before Congress, the public and presidential staff arms. It requires both a sensitivity to public desires and capacity to withstand considerable public criticism. "Executives in government are required to live in a goldfish bowl". The career executive concerns himself, on the other hand, mostly with matters of routine management, though he too is required to possess a realistic and full knowledge of congressional behaviour, rally congressional support for seeing through the programme of his bureau or department and defend it before congressional committees. The main job of the career executive is to provide a reservoir of knowledge, managerial competence based upon experience, and an understanding of the peculiarities of Government administration; he

must emphasize matters of "feasibility, practicability, and effectiveness". Both, the career and the political executives must lay out work plans for future activities, maintain a going establishment, secure adequate funds and staffing, and evaluate performance. For both several factors in the governmental environment—size, complexity and interdependence of operations, interdepartmental rivalries and public accountability—have resulted in a growing emphasis on procedure and routine and integrity in public administration.

The Round Table did not accept the conception of the politically neutral career executive put forward by the Task Force on "Personnel and Civil Service" of the Second Hoover Commission. The Commission held that career administrators "should avoid controversial public discussions; and in their approach to their duties they should be as objective, professional, and free from emotional attachment to particular policies as possible". The Round Table found "every career executive is concerned with policy and political decisions day in and day out from the moment he gets to be a grade 13. He cannot avoid these political questions if he is to do his job properly". Some members of the Round Table felt that there was a tendency to overdraw the distinction between career and non-career executives"; that "the distinction between the two groups lies not in the nature of their jobs but rather in the degree of political experience each possesses"; and that "the long-time career executive easily outranks the transient political executive of limited tenure in political skill".

The jobs both of the political and career executives call for certain common qualities such as foresight, the ability to plan, co-ordinate

and command, the skill to negotiate and compromise and the capacity to decide on the basis of incomplete data—attributes related to the responsibilities of higher management. The discussions at the Round Table seem to emphasise more the differences than the common requirements of the jobs of higher executives in government and business.

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The discussions at the Round Table revealed that there are a variety of factors and motivations which induce persons to accept positions as federal political executives but it is difficult to weigh the relative importance of each of them. The men who joined the Eisenhower Administration in 1953 came primarily from business. The problems of staffing are therefore mainly those of a "business-oriented" administration. Under existing pay schedules, we are told, it is impossible for the federal government to compete directly with private business for executive talent; other main objections being inability to leave private affairs and the relative insecurity and low prestige of the public service. The remedies suggested include better personnel practices, higher salaries and making jobs more attractive. Some of them are: "more attractive salaries, regular sabbatical leave, the prospect of the broadening associations made possible by periodical interchange with business or academic institutions, the assurance of an education for their children, and the provision for essential entertainment expense would, taken together, materially increase the holding power of these (political) positions". (*John C. Carson: Executives for the Federal Service*, Columbia University, 1952, p.74).

The difficulties experienced by the political executives in adjusting themselves to their jobs in government, the handicaps under which

they have to work and the advantages in business employment which they forego—which are graphically brought out in the book—led the Round Table to underline the need for an orientation programme for political executives, both in regard to institutional indoctrination in the tradition and history of a particular department or agency and in the overall political setting. Such an orientation programme was, in fact, established by the U.S. Cabinet in 1957.

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The Round Table was skeptical both about the possibility and ability of the political parties in U.S.A. to supply an adequate number of useful candidates for political executives positions. Here are some illuminating observations : “We can never hope that American political parties will ever provide the kind of training for political jobs that the British do for the simple reason that in the United States there is no career in it”....“The patronage system cannot supply usable candidates in substantial number because of the lack of cohesion within the parties”. In fact, “Parties have no mechanism for screening candidates and no standards for judging executive competence”. “...the power of appointment does not often help a President to maintain control of his Party and may encourage others to convert it to their own uses”. “...Patronage...seems to be a force that leads to further diffusion of leadership and responsibility in the executive branch and constitutes a potential, if not actual, threat to the President”.

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About one-fourth of the book is devoted to the examination of the political setting under which the federal executives work. The need for non-partisan political activity on the part of career executives arises partly

from the constitutional separation of powers and the presidential type of democracy. The Cabinet headed by the President (with a term of 4 years) is not responsible to Congress; the Congress, and, through it, the people, have, therefore found other ways and means to make the Administration responsive to their wishes. Given the lack of unity in Congress and the personalization of legislative power in committee chairmen, congressional intervention varies considerably from agency to agency and from time to time. The career executives depend upon congressional support for securing necessary appropriations for their bureau or departmental programmes. Congress is both conscious and jealous of its powers. It expects to be consulted in advance and insists upon having a real opportunity to modify the proposals of the executive branch. Intervention by legislators in administration tends to increase due to a number of other factors among which are: the large size of the business, operations of interest groups, the wide area of administrative discretion in particular situations and the decline in the number of patronage jobs. There are instances where governmental bureaus clear all important policy issues with the chairman of the appropriate congressional committee. The recent developments in legislative-executive relations are in the spheres of the staffing of legislative committees, the increasing use of legislative veto and the creation of legislative liaison staffs in administrative agencies. “The development of a quasi-permanent bureaucracy serving the legislative branch has stimulated legislative interest in the details of administrative operations and occasionally has enabled committees to delve deeply into matters that federal executives consider to be administrative prerogatives”.

Political parties are probably less significant than pressure groups in the executive's environment. Pressure groups try to establish in the government autonomous organisations whose jurisdictions correspond to their interest and endeavour to see that these agencies remain relatively independent of the executive branch as a whole. Though Congress enacted in 1946 the Federal Regulation of Lobbying Act, the latter provides only a weak measure of lobby control. The federal executive must negotiate more or less continuously with organised interests concerned with his programmes. He must live not merely with congressmen, party leaders, executive colleagues, and subordinate administrative officials, but also with the leaders of interest groups.

The executive in the federal government is no less affected by the supervision and direction exercised by the President through his staff. Since 1930, Presidents have utilised the processes of budgeting, personnel management, and administrative re-organisation to strengthen their role as federal administrator-in-chief. Further, since 1949, powers formerly vested by law in bureau chiefs have been largely transferred to department heads in the departments of the Treasury, Justice, Post Office, Interior, Agriculture, Commerce and Labor. The impact of presidential staffing upon agency heads and their deputies is neither uniform nor clearly defined. Despite the recent inroads, each bureau, created in response to a particular need, holds firmly to its separatist ways, resisting departmental and presidential leadership. Bureau autonomy can be traced to the sprawling patchwork of the executive branch and the increasing reliance by the overworked and relatively inexperienced non-career executives upon career administrators.

There has been a steady growth of the civil service into a body of relatively permanent professional specialists, due to the evolution of an *esprit de corps* based on group identification, higher standards of professional performance, the development of bureau career systems and last but not least the growing sense of programme loyalties. Some interesting trends are the encouragement of inter-agency rivalries for discovering the public interest and the use of 'staff' aids.

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The chief value of the book for its Indian readers lies in the clarity with which it brings out the limits of traditional generalizations about the American politics and American administration. It shows how the nature, scope and detail of the job of the federal executive in the United States are conditioned by its constitutional and political settings, though the author does not explore the impact of economic factors. The study dispels the common notions that the spoils system contributes to the strength of the two-party system, that the political neutrality of the career executive necessarily implies 'programme' neutrality, that legislative interference invariably weakens rather than sustains bureau or departmental administrations and that political executives inducted from business as a rule try to stick to their jobs (rather than leave after 2-3 years) for furthering their business or private interest. There are, we learn from the American experience, no categorical or absolute principles and concepts of public administration. Like social and political institutions, administrative institutions and practices must be viewed in the context of the overall social, economic and political settings and the demands made by the forces of development and democracy. Only an integra-

tion of the administrative organisation and practice with the political and socio-economic organisation and practice can make the study of public administration in India empirical.

Few studies have been made in India of the job of the administrator in the Central Government or State Governments. The structure as well as the spirit of administration is undergoing a radical change with the assumption of new welfare and

development functions by government. Many government reports and articles and some studies—like Shri A.D. Gorwala's "The Role of the Administrator : Past, Present and Future" and Shri Asok Chanda's "Indian Administration"—deal with the subject but only in a general way. We need a detailed study of the new tasks of the administrator today and the difficulties which he has to surmount, both environmental and institutional.

—N. Srinivasan



## BOOK NOTES

*APPRAISING EXECUTIVE PERFORMANCE*; By CARL HEYEL. New York, American Management Association, 1958, 189p., \$4.50.

Written primarily for the operating (business) executive, the book discusses the objects, nature, background, and contents of "executive appraisal". Distinguishing the *appraisal* from *merit rating* in that the latter is generally related to regular salary reviews and covers also rank and file personnel, the author views appraisal as a continuous process of evaluating the *total* being of the

individual executive in relation to his present duties as well as future higher responsibilities in the firm—his tangible performance on the job; his managerial skills; personal traits and behaviour characteristics; and attitudes, motivation and understanding. The various elements of, and factors for appraising, each of these aspects are analysed in detail and rating grades proposed for each of them as well for an overall appraisal. Six managerial skills are listed: the ability to (1) plan in long-range terms, (2) make decisions, (3) organize operations, (4) co-ordinate and direct, (5) delegate and assign; and

(6) a willingness to check up and follow up. The author specially warns that good short-term results can be attained by methods that will produce long-term failure; and that an analysis even of all the traits in an executive would not yield a fully true picture of managerial ability; for that a review of behaviour in relation to specific situations is essential. For finding out how the executive gets along with others, it may be desirable to get information and reactions from persons on the executive's own level or, if it seems desirable, from persons reporting to him. The author "looks upon appraisal, not in the narrow framework of a specific technique, but broadly, in terms of its tie-in with the objectives of management...the accent here is on principles and practical action rather than on specific rating form and patterned plans".

**EDUCATIONAL ADMINISTRATION—Concepts, Practices, and Issues;** By EDGAR L. MORPHET, ROE L. JOHNS, & THEODORE L. RELLER, Englewood Cliffs, N.J., Prentice-Hall, 1959, x, 556p., \$7.95.

The book surveys the entire gamut of the organisation for and the administration of school education at the local, state and federal levels, in the U.S.A. in the context of a detailed consideration of the basic principles and emerging concepts of administration as applied to education. The study is enriched by an attempt "to incorporate significant related concepts from social psychology, psychology, sociology, anthropology, and political science, as well as from studies sponsored by the National Conference of Professors of Educational Administration and from development growing out of the Co-operative Programme in Educational Administration". The role of the educational administrator

is, we are told, much more of leadership than is generally conceived. "The administration of the schools in accord with established policies is relatively easy and nonhazardous compared to the problem of leading." Towards the end of each chapter the author considers extensively important contemporary problems and issues relating to its subject-matter, as he feels that "future leaders in educational administration must be able to help people identify important emerging issues and to provide leadership in developing procedures designed to bring about their solution". Both in regard to the formulation and application of concepts and principles of educational administration, the book has ample food for thought for its Indian readers.

**INDIA'S PARLIAMENT (For Youngsters);** By KAILASH CHANDRA, New Delhi, Rama Krishna and Sons, 1958, vi, 89p., Rs. 3.75.

The book explains to young boys and girls what laws are, how Parliament makes laws, how the Government works, how elections are held and what Members of Parliament do. The two distinguishing features of the work are authenticity and simplicity of language. (The author is at present the Secretary of the Department of Parliamentary Affairs of the Government of India.)

**PATNA UNIVERSITY, BULLETIN OF THE INSTITUTE OF PUBLIC ADMINISTRATION;** December 1958 (Vol. 3, Nos. 1-3), v, 75p., Rs. 3.

Devoted to promoting the study of public administration, the present issue of the Bulletin contains three informative lectures delivered at the Institute of Public Administration, Patna University: (1) "Military Administration in Peace and War" by

General K.S. Thimayya, Chief of the Army Staff; (2) "The Changed Role of the Civil Service in India", by Sardar Gurmukh Nihal Singh, Governor of Rajasthan; and (3) "The Old Set-up and the New", by Maharaja Shri Jaya Chamaraja Wadiyar Bahadur, Governor of Mysore. The issue in addition has two interesting contributions—"Creation of Tirhut Division", by S.V. Sohoni, Commissioner, Patna Division, and "Some Requisites of Democracy", by P.S. Muhar, Director of the Patna University Institute. The latter, as the Managing Editor of the Bulletin, has also contributed a thought-provoking editorial on "Change in the Administrative Landscape".

**SYSTEMS AND PROCEDURES—A Handbook for Business and Industry:** Ed. VICTOR LAZZARO, Englewood Cliffs, N.J., Prentice-Hall, 1959, xv, 464p., \$10.00.

**WORK MEASUREMENT:**  
By VIRGIL H. ROTROFF, New York, Reinhold Publishing Corporation, 1959, 203p., \$4.85.

The first publication—The Handbook—"brings together information on the various systems and procedures techniques...into a simple comprehensive volume that can be used as a ready reference by readers interested in acquiring a general knowledge of the subject". The techniques covered include "The Systems Study", "Systems Charting", "The Management Audit", "Work Simplification", "Work Measurement", "Forms Designs and Control", "Records Management", "Tabulating Equipment in Business", "Electronics in Business", "Work Sampling in the Office" and "Management Research". The chapter on each of these techniques is written by a recognised authority in the field.

The second book describes, in simple language free from technical jargon, the nature, scope, objectives and mechanics of "Work Measurement" in industry. Work measurement is conceived as vital to control of labour cost; "the greatest benefits from work measurement techniques are obtained in multi-product plants where control of manufacturing cost is most difficult to accomplish".

**PUBLIC RELATIONS AND THE EMPIRE STATE—A Case Study of New York State Administration, 1943-54;** By BERNARD RUBIN, New Jersey, Rutgers University Press, 1958, xiii, 357p., \$7.50.

Conceiving "Public Relations" as a "two-way" communication process and distinguishing it clearly from "publicity" (which forms only a part of it), the author regards public relations as an organised activity of government vital to the functioning and future of democracy. Public relations in government, the author feels, "must be based rigidly on the truth";...public relations officer must present to the public the information that is the principal substance in the popular decision-making process. The bitter and the sweet must be brought forth even if the facts do not enhance a particular administration..." The author then attempts to relate the concepts of public relations in a democratic state to the actual experience of the New York State Administration, during the tenure of Governor Thomas E. Dewey from 1943 to 1954.

The public relations programmes of the New York State, which are studied, include among others, those relating to the promotional activities of the State Department of Commerce; to the welfare activities of the State Departments of Mental Hygiene, Health, Social Welfare and Education and the State University

of New York; and to the regulatory activities of the State Department of Conservation, Correction and Civil Service. Special-purpose programmes of selected state agencies are surveyed, as also the likely future role of television and public opinion research. A full chapter is devoted to public relations personnel, assessing the work of selected men and women responsible for the various public relations programmes. The author's analysis reveals that the public relations programmes of government agencies in New York State are usually based on a series of specific objectives that vary in substance, though not in basic reasoning. These

objectives, as seen by the public relations officers, are founded on a realistic appraisal of specific obligations and are unphilosophical in tone. In order that the public relations programme should be able to fulfil its basic objective—to educate and to make the public and the administration more appreciative of each other's needs and difficulties—, Mr. Rubin considers it essential that it should be centred on behaviour rather than on information and that the public relations officer should, in addition to having a knowledge of the mass media, "be a highly respected individual well known for his penchant for the truth".



